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# *Daily Report*

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# China

FBIS-CHI-92-231  
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1 December 1992

# Daily Report

## China

FBIS-CHI-92-231

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1 December 1992

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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**General**

**Government Abstains in UN Vote on Cambodia**

*OW0112060392 Beijing XINHUA in English 2229  
GMT 30 Nov 92*

[Text] United Nations, November 30 (XINHUA)—The U.N. Security Council today imposed trade sanctions on the party of Democratic Kampuchea in an effort to bring it back to the Cambodian peace process.

Under a resolution adopted at a meeting this afternoon, the council called for measures to prevent the supply of petroleum products to the areas occupied by any party not complying with the military provisions of the Paris peace agreements the four Cambodian factions signed in October last year to end the 13-year civil war.

The council also expressed support for a moratorium set by the Cambodian Supreme National Council on the export of logs from the country and asked it to consider the adoption of a similar moratorium on the export of minerals and gems.

The measures, if effected, could effectively cut the financial resources of the Party of Democratic Kampuchea (PDK), which has so far refused to participate in the second phase of the cease-fire, namely, the cantonment and demobilization of the four factions' armed forces.

PDK charged that Vietnamese forces, which invaded Cambodia in 1978, are still in the country in violation of the peace accords, although the United Nations said it found no evidence of such presence, and demanded that the Supreme National Council be transformed into a government.

The resolution asked the secretary-general and states concerned "to remain ready to continue dialogue with the PDK" in order to persuade it to join fully in the implementation of the Paris agreements.

However, it also threatened to take other "appropriate measures" including the freezing of PDK's assets abroad if PDK obstructs the implementation of the peace plan and asked the secretary-general to submit a report no later than February 15 on the implementation of the resolution and on such further measures.

The council also decided that the election for a constituent assembly in Cambodia will be held as scheduled before next May and the U.N. Transitional Authority in Cambodia (UNTAC) shall proceed with preparations for the elections in all areas of Cambodia to which UNTAC has full and free access on January 31 next year.

The resolution called on all Cambodian parties to cooperate fully with UNTAC to create a neutral political environment for the conduct of free and fair elections and prevent acts of harassment, intimidation, and political violence.

China abstained in the vote on the resolution which was adopted by 14 votes in favor.

In his statement before the vote, Li Daoyu, Chinese permanent representative to the United Nations, called for dialogue and consultations to solve the problems encountered in implementing the Paris agreements.

He expressed the hope that all the parties in Cambodia will cooperate with UNTAC, earnestly implement the Paris agreements, and solve the problems in implementing the agreements in a patient and appropriate manner.

The ambassador stressed that while the Paris agreements are yet to be implemented comprehensively, the pressing task of the moment is to take effective measures to prevent further aggravation of contradictions and recurrence of war in Cambodia.

He said China agreed with some of the elements of the resolution, including the call on various parties to fulfil their commitments to the cease-fire and exercise restraint.

But Ambassador Li pointed out the sanctions and the three-party elections "are at variance" with the Paris agreements.

"Instead of helping solve the problems," he said, "sanctions will further increase differences and sharpen contradictions and could consequently lead to new complicated problems in the Cambodian situation."

**Commentary Views Yeltsin Visit to ROK**

*OW2911083492 Beijing Central Television Program  
One Network in Mandarin 1150 GMT 28 Nov 92*

[Announcer-read report from "The World Today" program: "Discussion of Russia's Changing Foreign Policy and Yeltsin's Korean Trip"]

[Text] International public opinion maintains that President Yeltsin's mid-November Korean trip showed that Russia has diverted its attention from the West to the East, and that the trip was an indicator of a new beginning for Russian diplomacy—one which focuses on the Asia-Pacific region.

Russia used to focus its diplomacy on the West. Germany, the United States, and Japan have all provided some assistance to Russia, or have promised to do so; but when Russia faced unprecedented economic difficulties and the Russian Government was under enormous political pressure at home, some countries in the West, handicapped by their own economic problems and out of consideration for their own interests, only paid lip service to assisting Russia. This has prompted Russia to readjust its foreign policy.

Yeltsin's 18-20 November visit to Korea was the first actual step he has taken to readjust Russia's foreign policy. For Russia's part, money is what it badly needs

right now; and on the part of Korea, it is interested in Russia's natural resources, markets, and certain technologies. Moreover, Korea wants Russia's support for its policy on the reunification of the Korean peninsula. Both Yeltsin and No Tae-u maintain that Yeltsin's visit to Korea was significant, maintaining that the visit not only was a major breakthrough in the development of Russian-Korean relations, but also will influence the political and economic situation of northeast Asia and its security.

During his visit to Korea, Yeltsin stressed that, from a geopolitical perspective, Russia is an inseparable part of the Asia-Pacific region; that Russia has decided to become an active participant in the Asia-Pacific region's security and economic cooperation; and that Russia does not regard any country in the Asia-Pacific region as a potential adversary and wants to establish partnership relations with these countries. For this reason, one of the basic missions of Russia's foreign affairs departments today is to create a circle of goodneighborliness around Russia. Currently, Russia is following a policy of leaning neither on the United States nor Europe, and it also intends to use this policy to influence global and regional balances as well as other countries in the Commonwealth of Independent States [CIS] so that they will have normal economic development and will be in better shape.

Yeltsin will also visit China and India in the near future. This will be a continuity of the Russian plan to divert the focus of its foreign policy from the West to the East. During Yeltsin's recent Korean trip, Russia announced new credit measures and paid back interest on some loans. Consequently Korea decided to reactivate its assistance of \$3 billion to Russia. That was the most noticeable economic success Yeltsin achieved during his Korean visit.

During the bilateral talks, Russia presented a list of 23 cooperation projects, but only some of them have been approved in principle during consultations. According to analysis, this is because relevant Russian laws are defective, Russian financial and banking services and its infrastructure are incompatible, and Russian businesses lack experience in dealing with foreign firms. This is why Russia is still unable to attract foreign capital. Moreover, Korea's economic strength is limited and it cannot possibly give Russia huge amounts of financial assistance to help Russia develop Siberia and the Far East Region. After a period of rapid growth, economic development in Korea has now slowed down. Many foreign countries have withdrawn their capital from Korea, and so Korea itself needs enormous amounts of capital to stabilize its own economy.

Moreover, since Korea is economically dependent on Japan, the flow of Korean capital into Russia was controlled, and capital did not pour into Russia as anticipated following Yeltsin's postponement of his Japan visit.

Yeltsin's visit to Korea shows that the course of Russia's foreign policy has become quite clear. Now that Asia is enjoying the strongest momentum of economic growth in the world, the prospects for cooperation between Russia and the countries of Asia—especially those countries in northeast Asia—are bright. Of course, Russia must go through a gradual process of adjustment and accommodation in changing the course of its foreign policy to fully achieve its goals.

### RENMIN RIBAO Discusses Uruguay Round Talks

HK2911083492 Beijing *RENMIN RIBAO* in Chinese  
16 Nov 92 p 7

[Article by Guo Ji (6753 3444): "Success or Failure of the Uruguay Round of Trade Talks Will Have Impact on World Trade"]

[Text] In the history of the General Agreement on Tariffs and Trade [GATT], whenever protectionism was on the ascendancy, a round of multilateral trade talks would be launched to check its spread. To avoid an overall trade war, the United States, Europe and Japan initiated a new round of multilateral trade talks, and called a GATT ministerial conference at Uruguay's Punta del Este in September 1986, thus the Uruguay rounds of multilateral trade talks began. This round of talks includes 15 topics such as tariffs, non-tariff measures, tropical products, natural resource products, textile goods and garments, farm goods, subsidies and counter-subsidy measures, trade-related intellectual property rights, and service trades, of which intellectual property rights, investment measures, and service trades were new topics to be discussed by GATT. Because of the active promotion of major industrially developed countries, fast progress has been made in the talks in these fields.

This round of talks was scheduled to last four years, to be concluded in December 1990. At the Brussels Ministerial-level Conference, the round of talks was about to be concluded with most issues reaching initial accords. However, serious disputes over wide cuts in farm goods exports, production subsidies, and import restriction existed between the EC, the United States and the Cairns Group; consequently, the ministerial-level conference ended in discord, and it was decided to continue high-level talks and that no further ministerial-level conferences would be held until an agreement was reached.

The issue of trade-related intellectual property rights was one of the developed countries' key topics of concern. Through long and arduous talks, the "Agreement on Trade-Related Intellectual Property Rights, Including Imitation" was initially reached on 18 December 1991, and written down in the "Draft Final Document of the Uruguay Round of Multilateral Trade Talks." The agreement provides high-standard protection for inventory patent rights, computer software designs, famous-brand trademarks, as well as audio and video product copyrights. Detailed procedures for implementing the legal

protection of intellectual property rights are stipulated in the agreement. From now on, the domestic laws of all participating countries should gradually get in line with the agreement's stipulations. Should any signatory state fail to provide full protection for foreign intellectual property rights according to the said agreement, the injured party may implement reciprocal retaliation on its counterpart according to the regulations on reciprocal retaliation in the said agreement in the procedures for settling disputes.

Service trade is another important new topic in the Uruguay round of trade talks. The extension to service trade in GATT standards is the result of world economic and trade structural evolution. The service industry is playing an increasingly important role in world economy and trade.

Statistics show that world service trade volume is up to some \$900 billion, 80 percent of which is conducted between developed countries, whereas the proportion of developing countries is insignificantly small. This being the case, industrially developed countries will benefit from opening up the service trade. In the preparatory stage of the Uruguay round of trade talks, developing countries did not approve including the service industry in the realm of the Uruguay round of trade talks. However, to make the Uruguay round genuinely play the role of augmenting the multilateral trade system, and create a sound climate for multilateral trade, developing countries eventually approved including the service industry in the realm of talks. Through efforts spanning several years, a "General Agreement on Service Trade" was eventually formulated, and many developing countries (including China) have presented their pricing lists as an initial commitment.

At the same time, developing countries also hoped for due progress to be made on issues of their concern. Although not everything was satisfactory, some progress was made in textile products included in GATT regulations and free trade of tropical products. Success in the Uruguay round of trade talks was on the horizon.

At first, the major grounds for industrialized countries' emphasis on including those new arenas in the Uruguay round of trade talks was to increase GATT's adaptability to the ever-changing world economic environment, especially restructuring. In other words, if industrial countries are required to conduct restructuring of their sunset industries and make way for developing countries in the market, developing countries must open up the aforesaid new arenas. Over the past few years, many developing countries have conducted arduous restructuring to meet the demand of the Uruguay round of trade talks. A new all-inclusive multilateral trade structure with extensive functions is on the horizon. Regrettably, however, the Uruguay round of trade talks was shelved simply because of the differences on farm produce between a few trade powers. Furthermore, in these highly developed industrial countries, agriculture accounts for an insignificant proportion in their national economies. To impede the

entire Uruguay round of trade talks because of the deadlock in the issue of farm produce is actually a lack of foresight.

Should the Uruguay round of talks eventually fail, a confidence crisis in the multilateral trade system will surface, and will possibly lead to an overall trade war if it is improperly handled. It is hoped that major industrially developed countries will attach importance to global economic interests, show mutual understanding, and make concessions to each other to remove differences, conclude the Uruguay round of trade talks as quickly as possible, and halt the spread of protectionism.

#### XINHUA 'News Analysis'

OW3011100992 Beijing XINHUA Domestic Service in Chinese 1015 GMT 27 Nov 92

[“News Analysis” by XINHUA correspondent Zhang Zhengdong (1728 1767 2639): “A Favorable New Turn Appears in the Uruguay Round of Trade Talks”]

[Text] Geneva, 26 Nov (XINHUA)—The “wheels” of the eighth global multilateral trade talks sponsored by GATT—or known as the Uruguay Round of trade talks—are turning again. At a meeting here today, the GATT Trade Talks Committee decided that it will set these wheels into motion on its original “four-track strategy” by fully resurrecting the Uruguay Round of multilateral trade talks.

This shows that a favorable new turn has ultimately appeared in the “marathon” round of talks, after becoming deadlocked on many occasions over the last six years, and that there is new hope that the talks can be concluded as soon as possible and a global, multilateral trade agreement signed.

The Uruguay Round of talks, which began in July 1986, was scheduled to end by the end of 1990; however, since both the United States and the EC refused to budge on agricultural trade issues, the talks broke down. As result of the compromise reached between the United States and the EC in Washington on 20 November, a major roadblock obstructing the Uruguay Round of talks has been removed. On the basis of a proposal made by GATT general secretary and chairman of the GATT Committee on Trade Talks, Arthur Dunkel, the Uruguay Round will reach “a political agreement” by the end of this year because “a political breakthrough is essential for the eventual success of the general agreement.”

Nevertheless, the resurrection of the Uruguay Round of trade talks does not mean that the future will be smooth. On the contrary, many hurdles have to be surmounted during the final “sprint.” Just as Dunkel has said, the settlement of the U.S.-EC problem over agricultural goods is not the end of the Uruguay Round, and “a lot of hard work has to be done” before the general goal can be attained, and “it is not easy to persuade all members to return to the negotiating table; that requires political determination and fortitude.”

As far as the Uruguay Round of trade talks itself is concerned, there are still "several hard bones to be gnawed." First of all, the Uruguay Round is the largest and broadest of multilateral trade talks, involving 108 participating parties, 15 areas of negotiation, and the signing of 28 accords. Final agreements in such areas as market access, service trade, and protection of intellectual property can hardly be reached without going through formidable negotiating processes.

Second, the U.S.-EC accord on agricultural goods will affect the package agreement of the Uruguay Round of trade talks. Although the U.S.-EC accord is basically similar to the "Draft Final Document of the Uruguay Round of Multilateral Trade Talks," there are still differences. Thus, certain clauses in the "final version" have to be revised, and this certainly will involve the interests of the parties concerned. On the other hand, it is not easy to change the U.S.-EC accord into one acceptable by countries like Japan, Korea, and Switzerland, which protect their agriculture with stringent measures, and to convince them to stop subsidizing agricultural goods and open their markets.

Third, whether France will continue to uphold its strong opposition to the U.S.-EC compromise remains unsure. It is generally believed that France will not veto the U.S.-EC accord, but this must depend on whether they will be compensated in market access and the service trade sector if France concedes to the agricultural demands. The Socialist Party Government of France is now under great pressure at home, and if France is not compensated, and vetoes the accord, it will disrupt the process of the Uruguay Round of trade talks.

Fourth, time is too short. It is already impossible to finish all the subjects and the legal procedures in the remaining three or four weeks of this year. It is generally believed that if the talks proceed smoothly, there is reason to believe that the Uruguay Round will end by March next year and a package multilateral trade agreement will also be signed at that time. The deadline that the U.S. Congress authorized the government to take part in the talks will expire at the end of March next year, and if the talks cannot be finished by that time, whether or not the congress will again authorize the new government to take part in the negotiations also creates new uncertainties in the Uruguay Round of trade talks.

Since the Uruguay Round involves the economic interests of all countries, trade conflicts and economic problems have frequently occurred among regions and countries at a time when economic competition has become increasingly fiercer. This being the case, the Uruguay Round will be even more difficult in achieving its final success.

Nevertheless, success of the Uruguay Round of talks is what people want to see, and they also represent the general trend of the times; therefore, it is a matter of time

before an accord can be reached as a result of the efforts exerted by all sides on the basis of balancing one's own interests.

## United States & Canada

### Hills' Taiwan Visit 'Violation' of Agreement

OW3011163892 Beijing XINHUA in English 1612  
GMT 30 Nov 92

[Text] Washington, November 30 (XINHUA)—U.S. Trade Representative Carla Hills has traveled to Taiwan on a "three-day visit", the office of U.S. Trade Representative confirmed today.

Hills is the first American Cabinet member to visit Taiwan since the United States established diplomatic relations with the People's Republic of China 13 years ago.

This obviously is in violation of the U.S. Government commitment banning ranking officials from visiting Taiwan, part of the People's Republic of China.

According to a press release issued by the office of U.S. Trade Representative, during her visit to Taipei, Hills will "address" the opening session of the U.S.-Taiwan Economic Council's annual meeting and "discuss such trade issues as the Uruguay Round and accession to the General Agreement on Tariffs and Trade and bilateral issues."

The press release described Hills' trip as "reflecting the increased importance of Taiwan's commercial relationship with the United States."

An AP [ASSOCIATED PRESS] report from Taipei quoted Hills as saying upon her arrival there Monday that "this is a visit I have long wanted to make, for it is an opportunity to reaffirm the longstanding friendship and rapidly growing commercial and trade relations between our people."

### U.S. Congress Members Comment on PRC Visit

HK0112030492 Hong Kong SOUTH CHINA  
MORNING POST in English 1 Dec 92 p 10

[Report by John Kohut in Beijing]

[Text] A United States congressional delegation ended a visit to China with no sign that the Chinese were willing to change their human rights policies in order to appease the new administration of President-elect Mr Bill Clinton, who has promised to be tougher on Beijing than his predecessor.

"While the meetings were polite, we really did get no significant or definite commitments (on human rights) other than that they would work on it and that things would get better in the very, very long run," said Democratic congressman Mr Frank McCloskey.

"We talked past each other sometimes," said Ms Patricia Schroeder, leader of the delegation and chairman of the Military Installations and Burden-Sharing Subcommittee of the House Armed Services Committee.

The delegation, which arrived in Beijing last Friday as the guest of the National People's Congress Foreign Affairs Committee, met, among others, Communist Party leader Mr Jiang Zemin, Vice-Foreign Minister Mr Liu Huaqiu, and Mr Xu Xin, chairman of the Institute of International Strategic Studies.

It also visited a People's Liberation Army installation in Yangcun, near the city of Tianjin, to see a demonstration of hand-to-hand combat. The installation is a showcase regularly shown to foreigners.

Mr McCloskey said the officials refused to give any timetable for human rights reforms, insisted that China had its own style of democracy and that there were equal or worse problems in the West, and rejected criticism of China's human rights practices as nitpicking.

In a 90-minute meeting yesterday, Mr Jiang insisted there was no one in jail who had not violated the law.

According to a dispatch by the official New China News Agency [XINHUA], he stressed that Beijing wanted to see "more mutual trust and less problems, more co-operation and no confrontation" with Mr Clinton's new administration.

The party General Secretary also said China was ready to cooperate with Mr Clinton to "improve and develop Sino-U.S. relations".

Ms Schroeder said the delegation had stressed that while Mr Clinton had moderated his campaign stance on China, "he has not gone into full retreat".

"They have to move, I think if they don't move the relationship could get significantly worse," Mr McCloskey said.

"What we're hoping is that we could put the incidents of three years ago behind us," said Ms Schroeder.

"We've seen tremendous economic change (in China).... but we have not seen the same evolution in politics."

Ms Schroeder said she had not made up her mind as to whether to vote for adding conditions to China's Most Favoured Nation trading status when the matter next came up for renewal.

The delegation also spoke of concern in Asia about China's military budget increases and insistent claims, backed by the military, to the Spratly Islands in the South China Sea.

Chinese officials expressed displeasure about planned U.S. sales of F-16 fighter aircraft to Taiwan, but "when we would say, wait a minute, what about our displeasure with your sales to Iran and Iraq, we were meddling," Ms Schroeder said.

### XINHUA Reports Bush Support for Yeltsin

OW0112060092 Beijing XINHUA in English 2216  
GMT 30 Nov 92

[Text] Washington, November 30 (XINHUA)—U.S. President George Bush today called his Russian counterpart Boris Yeltsin to show Washington's support on the eve of Russia's seventh Congress of People's Deputies, White House spokesman Marlin Fitzwater said.

In a telephone conversation shortly before noon, Bush told Yeltsin that "we stand behind you and the others promoting economic and political reforms," Fitzwater said.

The Russian congress, which has demanded that Yeltsin change his cabinet and adjust his market-oriented reforms, will meet on Tuesday in the Kremlin.

Yeltsin has been pressing forward his radical economic reforms thanks to, in part, the extraordinary power which allowed him to govern without referring to the parliament and to issue decrees overriding aspects of the Constitution. That kind of excessive power expires Tuesday.

### Accord Reached With U.S. on Teaching English

OW2811142692 Beijing XINHUA in English 1409  
GMT 28 Nov 92

[Text] Beijing, November 28 (XINHUA)—China has reached an agreement with the United States of America for cooperation in promoting the teaching of English as a foreign language in China.

According to the agreement, China and the United States will cooperate to make a TV educational program and write a set of textbooks that will be suitable for Chinese primary and secondary school students. The TV program will be broadcast to the nation by the Chinese educational TV channel.

Both parties agreed to complete writing of the first and second volumes of the "English 300" series by the end of this year. Primary schools of Qingdao, a coastal city in eastern China's Shandong Province, will use the two books and undertake the experimental teaching program next year.

The parties will also cooperate in setting up Pace Group International, Inc., in Dalian City and bring the training of teachers into line with the plan for China satellite TV education.

### Central Eurasia

#### Businessmen From CIS Trade in Jiangsu

OW0112060792 Beijing XINHUA in English 0232  
GMT 1 Dec 92

[Text] Harbin, December 1 (XINHUA)—A trading company from northeast China's Heilongjiang Province has

introduced 14 businessmen from the Commonwealth of Independent States (CIS) to hold trade talks in Changshu and Zhangjiagang Cities in east China's Jiangsu Province.

It is the first time for CIS businessmen to go to the two coastal cities to order goods. The transaction volume has so far reached 60 million Swiss francs.

The businessmen showed great interest in the abundant supply of all kinds of commodities in the two cities. They have already signed some agreements with their Chinese counterparts.

#### Jiangsu Governor Meets Russian Delegation

OW0112112092 Nanjing XINHUA RIBAO in Chinese  
23 Nov 92 p 1

[Article by Guo Ai (0948 1947) and Xin Hua (2450 5478): "Governor Chen Huanyou Meets Guests from the Russian Federation"]

[Text] Governor Chen Huanyou met and feted a delegation from the Krasnoyarskiy Kray Government of the Russian Federation, headed by Deputy Head of Administration Vasilyev at the Jinling Hotel on the evening of 20 November.

During the meeting, Governor Chen warmly welcomed the guests and briefed them on the situation of reform, opening up, and economic construction in Jiangsu Province. Meanwhile, he expressed his willingness to establish ties with Krasnoyarskiy Kray in all fields of endeavor, to strengthen economic cooperation, and to expand trade. Deputy Head of Administration Vasilyev expressed thanks to the host for his warm hospitality and said that cooperation between the two provinces in various fields of endeavor is conducive to construction on both sides and that Krasnoyarskiy Kray will vigorously cooperate with Jiangsu Province.

Entrusted by Governor Chen Huanyou, Vice Governor Wu Xijun presided over talks with the delegation, headed by Deputy Head of Administration Vasilyev, on the morning of 21 November. Both sides believe from their discussions that there is a strong possibility for the two provinces to complement each other through economic cooperation, and that there are broad prospects for friendly cooperation on the basis of equality and mutual benefit. In the afternoon, on behalf of their respective governments, Vice Governor Wu Xijun and Deputy Head of Administration Vasilyev signed a letter of intent for friendly cooperation between the Jiangsu Provincial People's Government and the Krasnoyarskiy Kray Government. The responsible persons of the relevant departments of Jiangsu Province attended and participated in the talks as well as the agreement-signing ceremony.

The delegation arrived on 18 November at the invitation of Jiangsu Province and is scheduled to leave for home

via Shanghai on 25 November. Guests will successively visit Suzhou, Nanjing, Changzhou, and Wuxi during their stay in our province.

#### Turkmen President Talks With Xinjiang Official

OW0112114392 Urumqi XINJIANG RIBAO in Chinese  
20 Nov 92 p 1

[By Hao Hong (6787 4767): "Turkmen President Stops Over in Xinjiang During Visit to China; Vice Chairman Wang Lequan Meets Honored Guest at Airport"]

[Text] The Turkmen Government delegation, comprising some 70 persons and led by President Niyazov, stopped over briefly at Urumqi Airport at noon on 19 November while passing through Xinjiang. The president was on his way to visit China at the invitation of President Yang Shangkun. Wang Lequan, vice chairman of the autonomous region, cordially met with President Niyazov and his entourage in the airport VIP room.

Vice Chairman Wang Lequan expressed his welcome to President Niyazov and his party and gave a brief introduction on the present situation of reform and opening in Xinjiang. He warmly invited the president and his party to come and pay a special visit to Xinjiang at a suitable time.

President Niyazov gladly accepted the invitation. He said: The culture and traditions of Turkmenistan and China's Xinjiang are similar, and we would very much like to come and have a look. He voiced great interest in expanding cooperation between the two sides in areas like economics, trade, culture, education, and tourism in the future. Accompanying President Niyazov on his visit to China were the six vice premiers, officials in charge of agriculture, industry, culture, and public health, and responsible persons from mass organizations.

#### Northeast Asia

##### Defense Minister Meets DPRK Army Delegation

OW0112091992 Beijing XINHUA in English 0828  
GMT 1 Dec 92

[Text] Beijing, December 1 (XINHUA)—General Qin Jiwei, Chinese state councillor and defense minister, met with a goodwill delegation from the Korean People's Army led by Senior General Chon Chae-son, deputy chief of the general staff of the army, here this afternoon.

The two sides had a cordial and friendly conversation.

The Korean delegation flew in here November 24 on a nine-day visit. During their stay in China, they also visited east China's Nanjing and Shanghai.

The delegation will leave for home tomorrow.

**Anshan Group Inspects ROK Industrial Zones**

SK0112014392 *Shenyang LIAONING RIBAO* in Chinese 21 Nov 92 p 1

[Text] After arriving in Seoul, the delegation from Anshan held talks with more than 20 enterprises and societies and inspected the industrial zones in Ilsan and Ansan cities and ports and plants in Inchon and Pohang. The Mafeng General Company of Industrial and Trade Enterprises of Haicheng city and the Sesil Industrial Corporation of the ROK signed an agreement on cooperatively building a pure high-quality magnesia production project with an investment of \$11 million. The first construction company of Songsan town of Anshan city and the Taesin Corporation of the ROK jointly invested \$17 million to build the Anxin man-made leather production corporation. Haicheng Guesthouse and the Kwangu industrial cooperation jointly invested \$7 million to build a hotel. As of now, Anshan city has signed 10 contracts involving \$27 million and signed six agreements involving \$29.8 million. The China Jier-Ilmiyail Corporation, built with an investment jointly offered by the Jieer Consultation Company of Anshan and the Ilmiyail Corporation of the ROK, was registered with the Seoul authorities. This is the first real estate company built in Seoul with our province's investment.

On the afternoon of 20 November at Seoul New World Hotel, the Anshan City Government held a meeting to explain the investment environment of Anshan City. More than 350 personages of various Korean circles attended the meeting.

**Shipping Vessel Added to Shanghai-Japan Route**

OW0112055892 *Beijing XINHUA* in English 1541  
GMT 30 Nov 92

[Text] Shanghai, November 30 (XINHUA)—A new ship for both passengers and cargo will be added to China's first shipping route to Japan, which starts in this east coast metropolis.

The board of directors of the Sino-Japanese joint venture, the China-Japan International Ferry Company Ltd, has decided that the two sides will invest more than 40 million U.S. dollars to build the ship.

A signing ceremony was held Sunday in Shanghai between the Chinese company and the Japanese Onomochi Dockyard Company Ltd for the new ship.

The new vessel will have a total tonnage of 14,500 and will be able to transport 355 passengers and 218 containers at a time. It is expected to be completed in April 1994.

Since its establishment in May 1985 the China-Japan International Ferry Company Ltd has logged 744 voyages and handled 150,000 passengers and about 62,000 containers.

**Guangdong Head Notes Economic Ties With Japan**

HK0112011392 *Guangzhou Guangdong People's Radio Network* in Mandarin 0400 GMT 22 Nov 92

[Text] The Guangdong Provincial Government Goodwill Delegation to Japan, headed by Governor Zhu Senlin, ended its visit to Japan and returned to Guangzhou on the afternoon of 21 November. Governor Zhu Senlin and his aides were satisfied with the success gained in this goodwill visit to Japan.

At the frank meeting on economic affairs organized by the Japan Economic Society, Governor Zhu Senlin answered questions posed by people from Japanese industrial and financial sectors and noted issues on Guangdong's investment environment, structural reform in foreign trade, the injection and operations of construction capital and its relation to Guangdong's development and interior and Hong Kong and Macao and so on—things that are of great concern to the Japanese.

After concluding the Japan visit, Governor Zhu Senlin told correspondents: To complete the glorious mission of Guangdong to basically achieve modernization within 20 years' time, we must deepen reform and expand openness to the outside world. While continuing to strengthen economic and trade cooperation with the Hong Kong and Macao regions, we must also continually extend economic cooperation with other countries and regions. In particular, we seize the present opportunity provided by further development in Sino-Japanese friendly relations, and strive to achieve greater development in economic and trade cooperation between Guangdong and Japan.

**Southeast Asia & Pacific**

**Li Peng Continues 5-Day Visit to Vietnam**

**To Avoid Territorial Disputes**  
OW3011152192 *Beijing XINHUA* in English 1457  
GMT 30 Nov 92

[Text] Hanoi, November 30 (XINHUA)—Chinese Premier Li Peng and his Vietnamese counterpart Vo Van Kiet agreed here today that the two countries would exercise restraint to avoid clash over territorial disputes.

The two prime ministers reached the agreement during their talks at the presidential house here this afternoon. The Chinese premier arrived here at noon today on a five-day official goodwill visit.

The two leaders believed that through friendly consultations and out of the overall interests of the two countries, appropriate settlement could be found to solve their differences.

On bilateral relations, Li Peng said that China is happy with the progress and restoration of relations in various

fields between the two countries since the normalization of relations in November last year.

Li added that there are problems to be solved between the two sides. But he expressed his belief that they can be settled through friendly consultations and by seeking common ground and reserving differences.

Referring to territorial disputes, Li said China's position is that disputes should be solved through negotiations, but not through resort to force or threat with force.

Before these issues are settled, both sides should exercise restraint and should not let them hamper the improvement and development of bilateral relations, he said.

Li said that it should be seen that China and Vietnam have more common ground than differences.

During the talks, Kiet said he agreed with Li's appraisal of the relations between the two sides over the past year and said there were great potentials for further development.

He expressed Vietnam's willingness to promote the development of bilateral relations.

On territorial issues, Kiet said that last year both sides agreed to solve territorial disputes through negotiations; and earlier this year, the meetings between vice foreign ministers and experts were helpful for the promotion of mutual understanding.

Kiet said he is sure that suitable ways could be found to solve disputes between the two sides.

### More on Li Peng, Vo Van Kiet Talks

OW3011183792 Beijing XINHUA Domestic Service in Chinese 1550 GMT 30 Nov 92

[By correspondents Zhang Jiaxiang (1728 0502 4382) and Yu Zuncheng (0060 1415 2052)]

[Text] Hanoi, 30 Nov (XINHUA)—Visiting Chinese Premier Li Peng held official talks with Vietnamese Prime Minister Vo Van Kiet here this afternoon.

At a briefing on the talks, a Chinese Foreign Ministry spokesman with the delegation quoted Vo Van Kiet as saying: The visit by Premier Li Peng to Vietnam is of great significance. Vietnam attaches great importance to it. Facts have affirmed that the normalization of relations between the two countries a year ago is a correct policy decision that is in keeping with the fundamental and long-term interests of the peoples of the two countries and with the trend of peace and cooperation in the region and world over.

Vo Van Kiet spoke highly of the convocation of the 14th CPC National Congress and extended warm congratulations to the new Central Committee elected at the congress with Jiang Zemin as its general secretary. He said he believes that Premier Li Peng's visit will mark further consolidation and development of Vietnamese-Chinese relations.

After that, the two leaders exchanged views on international and regional situations and bilateral relations in a sincere, friendly [cheng zhi you hao 6134 2304 0645 1170] atmosphere.

Premier Li Peng briefed him on China's views on the current international situation and its foreign policy. He pointed out: The world is not stable following the disintegration of the bi-polar structure. None of the two major questions facing the world—peace and development—has been solved. China is ready to join other countries in making efforts for world peace and development.

Li Peng said: In this turbulent world, the Asia-Pacific region is relatively stable and is full of vitality and hope. Asia, Southeast Asia in particular, has consistently maintained a rather fast growth rate. Economic cooperation among Asian nations is being strengthened. Sustained economic growth in the Asian region is a major factor for regional stability. China and Vietnam, both of which are located in East Asia, are in a position to contribute to the peace and stability of the Asian-Pacific region and accelerate their own economic development by taking advantage of the current favorable conditions.

Li Peng said: A view that once circulated in the international community held that China would fill the vacuum after the pullout of the two superpowers from Asia. He pointed out: "This is utterly groundless. The 14th CPC National Congress clearly points out that our basic line will be valid for 100 years. China has only one central task, that is, economic development. I would like to solemnly declare: China's national defense force is used entirely for defensive purposes. China is against hegemonism and will not seek hegemony; it will never seek hegemony even when it becomes strong in the future. We do not agree with the argument of filling a vacuum and we have no intention of filling any so-called 'vacuum.'"

Speaking of bilateral relations, Premier Li Peng said: Relations between the two countries were normalized when General Secretary Do Muoi and Prime Minister Vo Van Kiet visited China last year. With their common efforts, Chinese-Vietnamese relations in various fields have been restored and developed in the past year. The overall situation is good and the Chinese side is happy with it. It is only natural that there are problems to be solved between the two sides. We believe that they can be settled step by step in line with the spirit of friendly consultations, enhancing mutual understanding, and seeking common ground while putting aside differences.

Speaking of developing trade and economic cooperation, Li Peng said: The conditions of our two nations are similar. They are close neighbors and their economies are mutually complimentary. There are numerous favorable conditions and great potential for further developing economic cooperation. I would like to suggest that economic and trade departments of the two nations actively explore ways to develop cooperation and promote the development of bilateral economic relations and trade.

Referring to territorial disputes between the two countries, Li Peng said: China's position is that disputes should be solved through negotiations, not through resorting to force or threats of force. Before these issues are settled, both sides should exercise restraint and should not let these disputes hamper the improvement and development of bilateral relations. It should be seen that China and Vietnam have more common ground than differences.

Premier Vo Van Kiet said he agreed with Premier Li Peng's analysis of the international situation and briefed him on the development of Vietnam's relations with other countries.

On bilateral relations, Vo Van Kiet agrees with Premier Li Peng's appraisal of overall bilateral relations. He reviewed the progress made in the past in bilateral relations and said there are great potentials for further development. He said Vietnam is ready to make efforts to actively promote the development of bilateral economic relations and trade.

On the territorial issue between the countries, Vo Van Kiet said: "During the Vietnamese-Chinese summit last November, both sides agreed to solve territorial disputes through negotiations. This year's meetings between vice foreign ministers and experts were helpful for the promotion of mutual understanding."

Vo Van Kiet said that he agrees both sides should exercise restraint and avoid clashes. He believes that through friendly consultations and out of the overall interests of the two countries, an appropriate settlement could be found to solve their differences.

The two leaders also briefed each other on their respective domestic situations.

Attending the talks on the Chinese side were Li Lanqing, minister of foreign economic relations and trade; He Chunlin, deputy secretary general of the State Council; Qi Huaiyuan, director of the Foreign Affairs Office under the State Council; Xu Dunxin, deputy minister of foreign affairs; and Zhang Dewei, Chinese ambassador to Vietnam.

Attending the talks on the Vietnamese side were Nguyen Manh Cam, minister of foreign affairs; Le Van Triet, minister of commerce; Nguyen Cong Tan, minister of agriculture and food industry; Ho Te, minister of finance; Dau Ngoc Xuan, minister and head of the State Commission for Cooperation and Investment; Le Xuan Chinh, minister and head of the Government Office; Comrade Vu Khoan, deputy minister of foreign affairs; Dang Nghiem Hoanh, Vietnam's ambassador to China.

### Vo Van Kiet Hosts Banquet

OW0112012592 Beijing XINHUA Domestic Service in Chinese 1735 GMT 30 Nov 92

[By correspondents Zhang Jiaxiang (1728 0502 4382) and Ding Qilin (0002 0366 2651)]

[Text] Hanoi, 30 Nov (XINHUA)—Vietnamese Premier Vo Van Kiet hosted a grand banquet at the Presidential Palace this evening to warmly welcome Chinese Premier Li Peng, who is on an official friendly visit to Vietnam.

Premier Vo Van Kiet spoke first at the banquet. He said: "Premier Li Peng's Vietnam visit is of great significance because it marks the first visit to Vietnam by a high-ranking Chinese leader in 21 years, following a visit to Vietnam by late Premier Zhou Enlai and one full year following a historic Sino-Vietnamese summit meeting in Beijing that normalized relations between the countries."

After giving a briefing on Vietnam's domestic situation, he said: "Despite numerous difficulties and challenges, the entire party and the whole nation are making every effort to implement the resolution of the Seventh Congress of the Communist Party of Vietnam [CPV], firmly maintaining stability in all fields and scoring initial yet very important achievements on the economic and cultural fronts. Thanks to a foreign policy based on independence, sovereignty, and diversification [duo yang hua 1122 2876 0553], Vietnam's diplomatic relations have constantly been broadened and have created more favorable conditions for national construction."

Vo Van Kiet said: "In implementing the policy of reform and opening up, the Chinese people have scored many achievements and have made many changes in national socioeconomic life. Your visit to Vietnam has taken place immediately following the successful conclusion of the 14th CPC National Congress. May we avail ourselves of this opportunity to warmly congratulate all of you on this important event. We sincerely hope that the Chinese people will successfully implement the great tasks set forth by the congress."

Vo Van Kiet said: "Vietnam and China are linked by the same mountains and rivers. Through thousands of years of history, people in the two countries have forged ties of good-neighboringliness and friendship. In their struggles for national liberation, the two peoples have shared weal and woe together and united and supported each country's revolutionary undertakings. With a tradition of loyalty, our people have always remembered the valuable support and assistance by the Chinese people and we have specially treasured the traditional Sino-Vietnam friendship."

"More than a year ago, leaders of the two parties and countries made the correct decision to normalize relations, opening a new horizon in our neighborly and friendly relations, and meeting the profound aspirations of the two peoples and our long-term basic interests as well as the trend of peace and cooperation in the region."

In conclusion, Vo Van Kiet said: "Our honest and friendly [zhen cheng yu you hao de 4176 6134 5280 0645 1170 4104] talks this afternoon manifested our common wish to develop more efficient cooperation. Your visit to Vietnam as well as the reached agreements surely mark a new landmark in that direction. For our part, we will try

our best to contribute to the implementation of the noble duties that we have set forth."

After that, Premier Li Peng spoke. He said: "The Chinese and Vietnamese people have a long history of friendly exchanges. In their respective struggles for national independence and liberation, they sympathized with and supported one another. Although some difficulties and setbacks emerged for a time in the relations between the two countries, relations were normalized when leaders of the two nations decided at the summit last November to 'conclude the past and open up the future,' ushering in a new phase of friendship and cooperation between the two countries. The Chinese Government and people cherish very much the traditional friendship between the two countries and attach great importance to the development of bilateral good-neighborly relations and friendly cooperation. Over the past year, the two nations have witnessed gradual restoration and development in bilateral exchanges and cooperation between them in various fields, including politics, economics, science and technology, and culture. We should highly value this progress, for it is in keeping with the common interests of the Chinese and Vietnamese people. At the same time, we must be aware that there is a lot more that should be done and can be done and this requires even greater efforts on our part. Both China and Vietnam are developing countries and are faced with the common task of developing the economy and improving the living standards of our people. Both are building socialism in the light of our respective national conditions and both are in need of a peaceful and stable international environment. These common points constitute a basis for cooperation between the two countries. We are convinced that through the joint efforts of both sides, the friendship and cooperation between our two peoples will make further headway. As for the existing problems [two shan jei jue 1185 0810 6043 0414] between the two countries, including border and territorial disputes, we are ready to seek a proper settlement for them through friendly consultations in a spirit of mutual respect and mutual understanding. A good beginning has been achieved in our border talks, and we hope the negotiation process will be accelerated so that a fair and reasonable solution will be achieved at an early date. If the problems cannot be solved for the time being, we propose that they should be shelved temporarily and both sides take long-term point of view with regard to bilateral relations. We believe that since the common ground between our two countries outweighs our differences, both sides should make efforts to prevent the differences from standing in the way of the development of bilateral relations."

Li Peng said: "As a developing country, China will unswervingly pursue its independent foreign policy of peace and is ready to develop friendly relations and cooperation with all countries, particularly its surrounding countries, on the basis of the Five Principles of Peaceful Coexistence. The Chinese Government has solemnly stated time and again that China will never

seek hegemony nor practice expansionism. And at the same time, it is opposed to hegemonism and power politics of all descriptions. We hold that instead of resorting to force or the threat of force, differences and disputes among nations should be settled peacefully through negotiations in accordance with the UN Charter and the generally accepted norms of international law. China is a force firmly committed to maintaining world peace and its limited military power is used entirely for defensive purposes. We will never threaten any country, nor fill any so-called 'vacuum.' All countries in Southeast Asia are friendly neighbors of China. We are ready to join other countries in making efforts and contributions to the maintenance of peace and promotion of economic development in the region."

Li Peng said: "Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the Chinese people are concentrating on economic construction. A great, historic change is under way in the vast territory of China. The recently convened 14th CPC National Congress summed up the experience of the past 14 years and adopted the strategic decision of deepening reform, opening up wider, and accelerating economic development. People of all nationalities in China are rallying around the CPC Central Committee with Comrade Jiang Zemin as its core and are making concerted efforts in building socialism with Chinese characteristics."

Li Peng said: "Under the leadership of the CPV, the Vietnamese people are vigorously implementing the resolution of the Seventh CPV Congress. They have achieved remarkable progress in stabilizing the political situation, implementing the policy of renewal and opening up, promoting economic development, and improving the people's living standards. We heartily rejoice at your achievements and wish from the bottom of our hearts that the Vietnamese people will score still greater achievements in socialist construction, reform, and opening up."

In conclusion, Li Peng said: "Both Chinese and Vietnamese are hard working and intelligent people. Both nations are carrying out socialist construction and each has many experiences the other can draw on. We believe, however, that each nation has its own distinct conditions and it should formulate its policy in the light of its actual conditions. I am convinced that through the common efforts of the two peoples, the two countries will certainly achieve their respective goals of national construction. As their economies develop, the prospects for bilateral friendly cooperation will become even brighter."

Present at the reception were Zhu Li, Premier Li Peng's wife; Li Lanqing, minister of foreign economic relations and trade; He Chunlin, deputy secretary general of the State Council; Qi Huaiyuan, director of the Foreign Affairs Office under the State Council; Xu Dunxin, deputy minister of foreign affairs; and Zhang Dewei, Chinese ambassador to Vietnam, and other members of the Chinese delegation. Attending the reception from the

Vietnamese side were Pan Liangqin [name as received], wife of Premier Vo Van Kiet; Deputy Premier Tran Duc Luong; Nguyen Manh Cam, minister of foreign affairs; Nguyen Cong Tan, head of the government group for accompanying the visiting delegation and minister of agriculture and food industry; Ho Te, minister of finance; several other ministers; and Dang Nghiem Hoanh, Vietnam's ambassador to China.

At the reception, the hosts and guests exchanged many toasts for an ever-growing friendship and cooperation between the Chinese and Vietnamese people.

A cordial and friendly [qin qie you hao de 6024 0434 0645 1170 4104] atmosphere permeated throughout the banquet.

### Sees 'New Development' in Ties

OW3011160792 Beijing XINHUA in English 1554  
GMT 30 Nov 92

[Text] Hanoi, November 30 (XINHUA)—Vietnamese Prime Minister Vo Van Kiet said here this evening that Chinese Premier Li Peng's current visit marked the new development of cooperative relations between Vietnam and China.

Speaking at a banquet given in honor of visiting Chinese premier Li Peng, Kiet said Li's ongoing trip to Vietnam is of great significance.

The prime minister said Vietnam and China are linked by common mountains and rivers and the two peoples established good-neighborly and friendly relations in the long history.

"The two peoples shared weal and woe, united as one and helped each other during their struggles to gain national independence of their respective countries," Kiet added.

The prime minister said the people of his country will never forget China's support for their country and they deeply cherish the traditional friendship between the two countries.

Referring to the normalization of the bilateral relations in November last year, the prime minister described this as a "correct decision."

He said that the normalization has ushered in a new stage of development of the bilateral ties.

"This has fulfilled the common wish of the two peoples and also conforms to the fundamental and long-term interests of the two countries as well as peace and cooperation in the region," said the prime minister.

He said the sincere and friendly talks held this afternoon between him and Li indicated that the establishment of more fruitful cooperative relations is the common aspiration of the two sides.

### Li: PRC Not To Threaten Others

OW3011152892 Beijing XINHUA in English 1507  
GMT 30 Nov 92

[Text] Hanoi, November 30 (XINHUA)—Chinese Premier Li Peng declared here tonight, "We will never threaten any country, nor fill in any so-called 'vacuum.'"

Speaking at a welcoming banquet given in his honor by Vietnamese Prime Minister Vo Van Kiet, Li Peng said, "China is a force firmly committed to maintaining world peace and its limited military power is used entirely for defensive purposes."

He added, "as a developing country, China will unwaveringly pursue its independent foreign policy of peace and is ready to develop friendly relations and cooperation with all countries, particularly its surrounding countries, on the basis of the Five Principles of Peaceful Coexistence."

"The Chinese Government has solemnly stated time and again that China will never seek hegemony nor practise expansionism. And at the same time, it is opposed to hegemonism and power politics of all descriptions."

"All countries in Southeast Asia are friendly neighbors of China. We are ready to join other countries in making efforts and contributions to the maintenance of peace and promotion of economic development in the region," he added.

Referring to bilateral relations, the Chinese premier said, "both China and Vietnam are developing countries and are faced with the common task of developing the economy and improving the living standards of our people. Both are building socialism in the light of our respective national conditions and both are in need of a peaceful and stable international environment."

These common points, the premier said, constitute a basis for cooperation between the two countries. "We are convinced that through the joint efforts of both sides, the friendship and cooperation between our two peoples will make further headway."

Li said, "As for the existing problems between the two countries, including border and territorial disputes, we are ready to seek a proper settlement to them through friendly consultations in a spirit of mutual respect and mutual understanding."

He pointed out, "A good beginning has been achieved in our border talks, and we hope the negotiation process will be accelerated so that a fair and reasonable solution will be achieved at an early date."

"If the problems cannot be solved for the time being, we propose that they should be shelved temporarily and both sides take long-term point of view with regard to bilateral relations," he said.

"We believe that since the common ground between our two countries outweighs our differences, both sides

should make efforts to prevent the differences from standing in the way of the development of bilateral relations," he added.

### Tribute Paid to Ho Chi Minh

OW0112085892 Beijing XINHUA in English 0634  
GMT 1 Dec 92

[Text] Hanoi, December 1 (XINHUA)—Visiting Chinese Premier Li Peng laid a wreath at the mausoleum of the late president Ho Chi Minh here this morning.

When the wreath was placed in front of the main entrance by two soldiers, premier Li Peng stood at attention for a moment. One of the ribbons on the wreath, made of fresh flowers, was inscribed in Chinese and read: to President Ho Chi Minh, the great leader of the Vietnamese people and a close friend of the Chinese people."

After that, Li, his wife and other members of his entourage proceeded into the mausoleum.

In front of Ho Chi Minh's body, Premier Li Peng and other Chinese guests stood in silent tribute for a few minutes.

Ho Chi Minh, the great leader of the Vietnamese people, was born in 1890 and died on September 3, 1969 at the age of 79. He began to devote his life to the liberation and independence of his motherland—from French, Japanese, and then American aggression—as early as in his twenties.

In his ensuing tour of ho's home, which stands in the back part of the compound of the presidential house, Li Peng wrote his eulogy in the visitors' book. It read: "great exploits; glorious life."

### Li, Vo Van Kiet Hold 'Private Talks'

OW0112095392 Beijing XINHUA in English 0919  
GMT 1 Dec 92

[Text] Hanoi, December 1 (XINHUA)—Chinese Premier Li Peng and his Vietnamese counterpart Vo Van Kiet are holding private talks here this afternoon in the presidential house.

The two leaders held talks yesterday afternoon, during which they reviewed progress made over the past year in bilateral relations.

They expressed the wish for the furtherance of cooperation in more fields and the settlement of territorial disputes through negotiations.

### Radio on Importance of Visit

OW2911074492 Beijing China Radio International in Mandarin to Asia 0900 GMT 28 Nov 92

[From the "Report on Current Events" program]

[Text] Chinese Premier Li Peng is to pay an official goodwill visit to the SRV from 30 November to 4 December. This is a reciprocal trip for the visit to China last November by a high-level delegation, and will be the first visit to Vietnam by a Chinese premier in 21 years. The visit has drawn widespread media attention and will be of great significance in further stabilizing and developing Chinese-Vietnamese relations and promoting peace and stability in Southeast Asia.

Last November, a high-level delegation headed by Do Muoi, general secretary of the Communist Party of Vietnam [CPV], and Premier Vo Van Kiet paid a visit to China and held high-level talks with Chinese leaders. The two sides expressed satisfaction with the gradual improvement in bilateral relations, pointing out that the summit marked the normalization of Chinese-Vietnamese relations and that normalization of relations is in keeping with the fundamental and long-term interests of the peoples of the two countries. The two sides agreed to develop friendly and good-neighborly relations on the basis of the Five Principles of Peaceful Coexistence.

Relations between the two countries have been normalized for one year. Over the past year, smooth progress has been made in implementing the results of the summit and prospects are bright for the development of bilateral relations.

Chinese Foreign Minister Qian Qichen visited Vietnam last February to further implement the results of the summit, consolidating bilateral friendships and good-neighborly relations. The two sides signed agreements concerning economic cooperation and the mutual exemption of visa requirements. In May, Nguyen Van Linh, former General Secretary of the CPV and adviser to the Central Committee, visited China to study China's implementation—and success—in its policy of reform and opening up.

Over the past year the two countries have signed nine agreements, including a trade agreement and a provisional agreement on the handling of border affairs. All these agreements are being implemented with good results.

According to statistics from the General Administration of Customs, from January to September this year the volume of trade between the two countries topped \$100 million. Border trade between the two nations has also developed. There are broad prospects for the development of bilateral economic relations.

China and Vietnam are close neighbors linked by common mountains and rivers. In the past the two countries had very good relations for a long time. The Chinese-Vietnamese friendship was fostered by Mao Zedong, Zhou Enlai, Liu Shaoqi, and Deng Xiaoping, together with Chairman Ho Chi Minh.

Jiang Zemin pointed out during the meeting with the high-level Vietnamese delegation last year: The people of the two countries sympathized with and supported each

other during the long years of revolutionary struggle; they established a profound friendship. Chinese-Vietnamese friendship conforms to the aspirations and basic interests of the peoples of the two countries. No one can change this. The Chinese side treasures the traditional friendship between the two countries.

During his stay in Vietnam, Premier Li Peng will hold talks with Premier Vo Van Kiet and meet other Vietnamese leaders. The two sides will exchange views on bilateral relations and regional and international issues of common concern. The goal of the visit is to consolidate and develop Chinese-Vietnamese relations on the basis of the Five Principles of Peaceful Coexistence.

#### **Zou Jiahua Attends Late Lao President's Funeral**

*OW2911072592 Beijing XINHUA in English 0627  
GMT 29 Nov 92*

[Text] Vientiane, November 28 (XINHUA)—Funeral of the late President of the Lao People's Revolutionary Party and of the Lao People's Republic Kaysone Phomvihan was held here on a suburban square of the capital on Saturday.

The memorial meeting for Kaysone Phomvihan, who passed away on November 21, was held on Saturday morning in the hall of the Lao Supreme People's Assembly.

In his memorial speech, Nouhak Phoumsavan, new president of the Lao People's Republic, said that the Lao people would turn grief into strength and carry out the behests of the late president and achieve greater success in the cause of building an independent, peaceful, democratic, unified and prosperous Laos.

Laos will continue to strengthen friendship and cooperation with its neighbors and all other countries in the world, he added.

Chinese envoy, Vice-Premier Zou Jiahua, who is also a Politburo member of the Chinese Communist Party, attended the funeral. Also among them were leaders of the Lao party, Government and Army and a dozen of the foreign leaders including Vietnam, Korea and Thailand.

Earlier on Friday, Nouhak Phoumsavan and the new president of the Central Committee of the Lao People's Revolutionary Party, Khamtai Siphandon, received Zou Jiahua and both sides had a cordial and friendly conversation. They expressed satisfaction for the development of relations between the two countries and said that they would continue to strengthen the traditional friendship and cooperation between the two peoples. Zou conveyed to the Lao leaders the greetings from Jiang Zemin and other top Chinese leaders.

#### **Meets Nouhak Phoumsavan**

*OW2811223992 Beijing XINHUA Domestic Service in Chinese 0500 GMT 28 nov 92*

[By reporter Wang Weijun (3769 5898 6511)]

[Text] Vientiane, 27 Nov (XINHUA)—Nouhak Phoumsavan, the newly elected president of Laos, and Khamtai Siphandon, the newly elected chairman of the Central Committee of the Lao People's Revolutionary Party [LPRP], met here this afternoon with the PRC's special envoy, Zou Jiahua, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, who is on a special trip here to attend President Kaysone Phomvihan's funeral. The two sides had an amicable and friendly talk.

Zou Jiahua conveyed the heartfelt condolences of Secretary General Jiang Zemin, President Yang Shangkun, Premier Li Peng, and Chairman Wan Li on President Kaysone Phomvihan's demise, and their sympathy and solicitude to his family. For this, Nouhak Phoumsavan expressed heartfelt appreciation on behalf of the LPRP and the Lao Government. Zou Jiahua highly praised the major contributions made by the late President Kaysone Phomvihan to the cause of Laos' liberation and construction as well as to the development of Sino-Lao friendly relations. He said: The death of President Kaysone Phomvihan is a great loss to the party, government, and people of Laos; and China also lost a close friend.

At the meeting, the two sides expressed unanimous satisfaction with the sound development of Sino-Lao relations and said they would continue to strengthen the traditional friendship and friendly cooperative relations between the two nations.

Nouhak Phoumsavan said: The party, government, and people of Laos will carry on the late President Kaysone Phomvihan's behest and continue to implement the party Central Committee's line of reform and openness. Zou Jiahua stressed that the Chinese party, government, and people will, as always, continue to support the construction undertakings of the Lao people. We are convinced that under the leadership of President Nouhak Phoumsavan and Chairman Khamtai Siphandon, the Lao people will achieve even greater success in national construction.

Present at the meeting were Phoun Sipaseut, deputy premier and foreign minister of Laos; Xu Dunxin, Vice Foreign Minister of China; and Zhu Shanqing, deputy head of the International Liaison Department.

Prior to the meeting, special envoy Zou Jiahua laid a wreath in his own name in the mourning hall for President Kaysone Phomvihan on behalf of CPC Central Committee, the State Council, and Standing Committee of the National People's Congress and for himself.

Zou Jiahua and company arrived in Vientiane this afternoon.

**Li Peng Meets Australian Trade Minister**

OW2811120392 Beijing XINHUA in English 1116  
GMT 28 Nov 92

[Text] Beijing, November 28 (XINHUA)—Both Chinese Premier Li Peng and Australian Minister John Kerin voiced the hope in a meeting this afternoon to develop a long-term, stable economic and trade relationship of cooperation between the two countries.

The visiting Australian minister for trade and overseas development co-chaired the sixth session of the Sino-Australian trade and economic mixed committee with Chinese Minister of Foreign Economic Relations and Trade Li Lanqing here this morning.

Li Peng, referring to the session, expressed satisfaction with the "fruitful discussions" of the two sides, which he said will form a new basis for the future development of bilateral economic and trade cooperation.

China and Australia share time-honored friendly ties of cooperation, with their economies "quite complementary in many aspects," he noted. Thus, he added, "it will benefit both sides to develop a long-term and stable economic and trade relationship between the two countries."

"There is ample reason to believe that with joint efforts, our bilateral economic and trade cooperation will enjoy even bigger expansion," he said.

Kerin recalled the dramatic growth of bilateral cooperation in the fields of economics, trade, science and technology, agriculture and mining in the past two decades.

Like China, Australia shares the hope to build long-term, stable bilateral economic and trade cooperation, a Chinese official quoted Kerin as saying.

Those Australians who visited China have all witnessed its tremendous changes and learned more about its reform and opening process, and his country is ready to seek bigger involvement in China's economic construction, Kerin said.

**Trade Meeting Opens**

OW2811112392 Beijing XINHUA in English 0653  
GMT 28 Nov 92

[Text] Beijing, November 28 (XINHUA)—Li Lanqing, Chinese minister of foreign economic relations and trade, and John Kerin, Australian minister of trade and overseas development, jointly presided over the sixth session of the Sino-Australian Trade and Economic Mixed Committee here today.

Both sides exchanged views on further bilateral economic and trade cooperation.

According to China's customs, the trade volume between China and Australia in 1991 reached 2.11 billion U.S. dollars. The first nine months this year registered 1.45 billion U.S. dollars worth of imports and exports.

**Qian Qichen Meets Papua New Guinean Official**

OW3011111492 Beijing XINHUA in English 1044  
GMT 30 Nov 92

[Text] Beijing, November 30 (XINHUA)—State Councillor and Foreign Minister Qian Qichen reaffirmed here today that China is willing to expand friendly ties and cooperation with Papua New Guinea (PNG) and other countries in the South Pacific region.

Qian, in a 30-minutes meeting with visiting PNG Foreign Ministry Secretary General Gabriel Dusava [name as received], said that China stands for equality for all countries, big or small.

Dusava, who arrived here yesterday, told Qian that his country attaches importance to China's role in the Asia-Pacific region and regards China as a sincere friend.

PNG will continue to adhere to the "One-China" principle and have more exchanges and cooperation with China, he said.

Earlier today, Dusava and Chinese Vice-Foreign Minister Liu Huaqiu held talks on bilateral relations as well as international and regional issues of mutual interest.

The two officials also signed a memorandum of understanding on institutionalizing consultations between officials of the foreign ministries of the two countries.

**Near East & South Asia****Reportage on NPC Delegation's Visit to Nepal****Meeting With Nepalese King**

OW2811002192 Beijing XINHUA in English 1647  
GMT 27 Nov 92

[Text] Kathmandu, November 27 (XINHUA)—King of Nepal Birendra today met the visiting delegation of the Chinese National People's Congress [NPC] led by Liao Hansheng, vice-chairman of the NPC Standing Committee.

He said China has always understood and supported the desire of the Nepalese people for the national development and provided a lot of helps in the development of Nepalese economy.

Though China is a big country and Nepal a small one, China understands and sympathizes with Nepal's national desire and the economic endeavor, he added.

Vice-Chairman Liao conveyed regards from President Yang Shangkun to the king and spoke highly of the cotribution made by him to the Sino-Nepalese friendship.

Present on the occasion were speaker Daman Nath Dhungana and Chinese Ambassador to Nepal Shao Jiongchu.

**Speaker Hosts Banquet**

*OW2811002392 Beijing XINHUA in English 1712  
GMT 27 Nov 92*

[Text] Katmandu, November 27 (XINHUA)—Nepalese Speaker Daman Nath Dhungana today gave a banquet in honor of the visiting delegation of the Chinese National People's Congress headed by Liao Hansheng, vice-chairman of the NPC Standing Committee.

The two men spoke highly of the traditional friendship existing between the two neighboring countries.

Dhungana said that the people of Nepal are watching with keen interest the great strides in development made by China at this time through the socialist market economy and Nepal is engaged in nation building under the new constitution obtained after changes to multi-party system.

"We are sure, we would be able to meet our greatest challenge, i.e. poverty, with the cooperation of all friends including the People's Republic of China," he said.

In reply, Liao said that Sino-Nepalese friendly relations and cooperation can serve as a model for state-to-state relations.

"Despite vicissitudes in the world, the Chinese people and the Nepalese people will remain trustworthy friends to each other," he said, adding that the friendship will last forever as the Himalayas.

Earlier, the Chinese delegation called on Speaker Dhungana and chairman of National Council Beni Bahadur Karki and visited Nepalese Parliament House.

**Prime Minister Notes 'Friendly' Ties**

*OW2911112592 Beijing XINHUA in English 1059  
GMT 29 Nov 92*

[Text] Kathmandu, November 29 (XINHUA)—Nepalese Prime Minister Girija Prasad Koirala today met the visiting delegation of the Chinese National People's Congress headed by Liao Hansheng, vice-chairman of the NPC Standing Committee.

The prime minister told the delegation that there have been friendly and intimate relations between Nepal and China since ancient time, and he will continue the friendly ties so long as he is prime minister.

Nepal will not allow on its territory the activities against other countries, particularly the anti-China activities, he reiterated.

Vice-Chairman Liao briefed the prime minister on the achievements of China's economic construction and the 14th session of the National Congress of the Communist Party of China.

He said that Nepal has implemented the multi-party system and the constitutional monarchy and China does not interfere in the internal affairs of other countries.

"Nepal had given much help to China in international affairs before," he noted, adding that "the two countries should help each other in economy and international affairs in the future."

Present on the occasion was Chinese Ambassador to Nepal Shao Jiongchu.

**West Europe**

**British Envoy Meets Lu Ping in Beijing**

*HK0112061192 Hong Kong RTHK Radio in English  
0500 GMT 1 Dec 92*

[From the "News at One" program]

[Text] In an attempt to defuse the tension between Hong Kong and China, the British ambassador to Peking, Sir Robin McLaren, has had a meeting with the head of China's Hong Kong and Macao Affairs Office, Mr. Lu Ping. Terry Neilon reports:

[Begin recording] Today's meeting was arranged at Sir Robin's request. It is understood that the talks were scheduled before China's warning that all agreements signed or ratified by the Hong Kong Government will be cancelled after 1997 unless they have the prior approval of Peking. However, it is believed that Sir Robin did raise this issue along with a whole range of other problems which have arisen between the two sides since the governor, Chris Patten, unveiled his proposal for political reform.

The meeting between Sir Robin and Mr. Lu took place only a day after China's ambassador to London, Ma Yuzhen, was summoned to the Foreign Office to be told of Britain's concern about the protest from Peking over the grant of operating rights for Container Terminal No. 9. [end recording]

**Former British Minister Begins Beijing Visit**

*OW0112115392 Beijing XINHUA in English 1143  
GMT 1 Dec 92*

[Text] Beijing, December 1 (XINHUA)—Former British Deputy Prime Minister and Foreign Secretary Geoffrey Howe held talks with President Liu Shuqing of the Chinese People's Institute of Foreign Affairs here today.

Howe, who arrived earlier today for a seven-day visit as guest of the institute, exchanged views with Liu on issues of mutual interest, according to sources.

**XINHUA English on Reaction to Mirage Sale**

*OW2711131392 Beijing XINHUA in English 1223  
GMT 27 Nov 92*

[Text] Beijing, March 27 (XINHUA)—A spokesman of the Chinese Ministry of Foreign Economic Relations and Trade urged the French Government to revoke the contract on selling mirage fighters to Taiwan here today.

The spokesman, when asked by reporters what impact the contract will have on Sino-French economic and trade relations, expressed his indignation for the French fighters sale contract.

He pointed out that despite the strong opposition of the Chinese side, the French side still signed the contract to provide Taiwan with advanced fighters. This has constituted gross interference with Chinese internal affairs and posed a threat to Chinese security.

The spokesman noted that it is a grave step taken by the French side to worsen the bilateral relations. It is bound to cause damage to the economic and trade relations between the two countries, leading to a lack of the necessary climate and conditions for the progress of some cooperative projects under negotiation.

He stressed that with the development of the Chinese economy, China's imports from European Community (EC) countries rose by 10.9 percent from January to September this year over the same period last year. France, which was preparing for its arms deal with Taiwan, lagged behind.

"We hope the French Government will be far-sighted and revoke the contract on selling fighters to Taiwan as soon as possible, so that the economic and trade relations between France and China can develop normally," the spokesman said.

#### XINHUA Correction to Item on Mirage Sale

OW2711142692

Beijing XINHUA Domestic Service in Chinese at 1348 GMT on 27 November transmits a service message cancelling the item subheaded "Trade Spokesman Calls for Revocation," published in the 27 November China DAILY REPORT, pages 11-12. The message reads:

"Please cancel Item No. SS110027, 'Spokesman for the Ministry of Foreign Economic Relations and Trade Urges France to Revoke the Contract of Selling Fighters to Taiwan,' transmitted today. XINHUA, 27 November."

#### Trade Union Leader Meets Spanish Delegation

OW2511123592 Beijing XINHUA in English 1218  
GMT 25 Nov 92

[Text] Beijing, November 25 (XINHUA)—Ni Zhifu, president of the All-China Federation of Trade Unions, met with and feted Marcelino Camacho, general secretary of the Spanish Trade Union Confederation of the Workers' commission, here this evening.

Camacho, also a member of the Political Bureau of the Spanish Communist Party Central Committee, first visited China in 1980. Since then, friendly relations between the trade union organizations of the two countries have been established.

The two-member Spanish group arrived here today for a 10-day visit at the invitation of the All-China Federation of Trade Unions.

#### Li Tieying Talks With Dutch Prime Minister Noted

OW2611034592 Beijing XINHUA in English 0237  
GMT 26 Nov 92

[Text] The Hague, November 25 (XINHUA)—Dutch Prime Minister Ruud Lubbers discussed matters of mutual interest today with the head of a Chinese education delegation, Li Tieying.

During the meeting, Lubbers showed his understanding of China's need for stability and its desire to keep its own identity in its economic, cultural and social development.

Li, state councillor and minister in charge of the State Education Commission, told Lubbers about China's policy of reform and opening to the outside world, and about the situation in the education sector.

He said the hope for revitalizing the nation lay in education, to which China had now given priority in its development.

During its visit, at the invitation of the Netherlands Ministry of Education and Science, the Chinese delegation presented books on the Chinese language, literature and history to Delft and Leiden Universities.

The delegation will leave for Portugal Thursday to continue its visit.

#### Turkey's Bid To Boost Regional Role Analyzed

OW2611215792 Beijing XINHUA in English 1519  
GMT 26 Nov 92

[Text] "News Analysis" by Xu Wenqun

[Text] Istanbul, November 26 (XINHUA)—Turkey is trying to play a still bigger role in regional affairs and, for that purpose, it has hosted two regional meetings.

Wednesday's [25 November's] conference in Istanbul of Balkan foreign ministers on former Yugoslavia was just one more step taken by Turkey to have its voice heard and role felt.

Turkey has been proposing military intervention to halt the conflict in Bosnia-Herzegovina, to the extent that it has expressed readiness to send troops to help Muslims and Croats in the conflict with Serbs.

Participants at the Istanbul meeting made no decision on direct intervention, but they urged the United Nations to deploy forces in the war-torn country.

Today's "DAILY NEWS" claimed in a commentary that the Istanbul conference was a "resounding success" for Turkey's new diplomatic initiative.

The meeting, attended by foreign ministers and representatives of Romania, Italy, Croatia, Bosnia-Hercegovina, Albania, Slovenia, Macedonia, Hungary, Bulgaria, Austria and host Turkey, also asked the U.N. to "post observers on the borders of Bosnia-Hercegovina."

The participants in a joint declaration called on the relevant international organizations to immediately establish safe havens for people in Bosnia-Hercegovina, where fighting has been raging on since February.

Tens of thousands of people reportedly have been killed since fighting broke out in Bosnia-Hercegovina in late February when Muslims and Croats, who account for about 80 percent of the 4.3 million population in former Yugoslavia, voted for independence.

On November 14, the foreign ministers of Turkey, Syria and Iran held a meeting on the future of northern Iraq. The meeting was seen as the first step of Turkey's latest diplomatic initiatives.

The three countries issued a statement, stressing the importance their countries attached to the territorial integrity of Iraq.

They also gave the message to the Kurds and, perhaps more importantly to the West, that they would categorically oppose a Kurdish state in the region.

The three countries all have a Kurdish problem. For years, the Turkish Government has been fighting a Kurdish separatist rebellion led by the outlawed Kurdish Workers' Party, or PKK.

Turkey may call another meeting on problems like Nagorno-Karabakh and Chechen, which stemmed from the disintegration of the Soviet Union, a senior official at the Foreign Ministry has said.

All these moves indicate Turkey's commitment to helping resolve regional problems through regional efforts, and its desire to make itself more important in world politics.

## Latin America & Caribbean

### Cuban Party Official's Visit, Remarks Reported

#### Views Reform, Ties

OW2511133492 Beijing XINHUA in English 1311  
GMT 25 Nov 92

[Text] Beijing, November 25 (XINHUA)—A high-ranking Cuban official expressed the belief here today that the current reform in China provides new opportunities for the strengthening of the economic and trade ties between the two countries.

Carlos Lage Davila, a member of the Political Bureau of the Cuban Communist Party Central Committee, made the statement here this morning in a meeting with some Chinese correspondents before leaving for Sichuan Province.

"We appreciate the reform in China and are approaching China's reform experience with respect," he said when asked to comment on China's reform process.

"The Cuban Government and its people all hold the belief that China's reform and opening will achieve success," he said.

He noted Cuba would make an in-depth study of China's reform experience and turn it into a source of ideas to build its own socialism.

During his four-day stay here, Lage met and held talks with Chinese Government and party leaders. Both sides spoke highly of the current bilateral ties and explored possibilities of economic cooperation, he said.

Lage and his party also visited some enterprises here, which "enabled them to know more about China's reform and opening process," he said.

"My current trip to Beijing had reached the expected objectives," he said.

This morning, Lage also met with some Chinese company executives. They discussed the prospects and possibilities of economic and trade ties between the two countries.

#### Meets Shanghai's Wu Bangguo

OW3011004492 Shanghai People's Radio Network in Mandarin 2300 GMT 28 Nov 92

[From the "Morning News" program]

[Text] Wu Bangguo, member of the Political Bureau of the CPC Central Committee and secretary of the Shanghai Municipal CPC Committee, met with Lage, member of the Politburo of the Central Committee of the Communist Party of Cuba and secretary of the Executive Committee of the Cuban Council of Ministers, and his delegation at the Hengshan Guest House yesterday [28 November].

Wu Bangguo extended a warm welcome to the Cuban guests. He briefed Lage and his delegation on Shanghai's achievements in reform and opening up and its development prospects.

Lage said: Cuba should draw upon China's experience in many areas.

On behalf of the municipal government, Vice Mayor Zhuang Xiaotian last night met and hosted a reception for the Cuban guests at the Yangpujiang Hotel.

**Beijing Symposium Views Latin American Policies**

HK2711081592 Beijing RENMIN RIBAO in Chinese  
13 Nov 92 p 6

[Report by Xu Shicheng (1776 0013 3397): "Symposium on Current Situation and Policy Trends in Latin American Countries Held in Beijing"]

[Text] The 1980s represents the "lost decade" of Latin America, while the 1990s is its decade of hope, opportunities, and challenges. This was the view presented by some scholars attending the eighth annual meeting of the China Latin America Society and its academic symposium on the "Current Situation and Policy Trends in Latin America." The symposium, held in Beijing from 23 to 27 October, drew more than 70 experts and scholars from all over the country.

Some participating scholars maintained that dramatic changes in the world's political and economic structure in recent years have had a dual impact on Latin America, one advantageous and the other disadvantageous. As far as its repercussions on the overall region and its development are concerned, the advantages are predominant. They are illustrated principally as follows: The conflicts in Central America have basically been eliminated; the political situation in Latin America is moving toward greater stability as the process of democratization is further consolidated; the economic situation in Latin America has begun to improve with economic recovery, alleviation of the debt crisis, and return of capital flow; and unity and cooperation among Latin American countries have been bolstered.

To adapt to the changes in the international situation, Latin American countries extensively restructured their domestic and foreign policies. In the late 1980s and early 1990s, the Latin American countries carried out an intensive readjustment and reform of their respective economic development strategies and economic structures to orient their economies toward the markets and further liberalize their trade. The

majority of Latin American countries relaxed restrictions on foreign capital, stepped up the pace of opening to the outside world, and reduced state intervention in economic affairs. The North America Free Trade Agreement that Mexico signed with the United States and Canada will promote the growth of inter-American economic and trade relations. The Latin American countries also worked to develop relations with the countries in other regions, such as Western Europe and Japan, in order to promote multilateral foreign relations; at the same time, the countries of Latin America also stepped up interstate cooperation to advance the integration of their economies.

It is expected that the political situation in Latin America in the 1990s will enter a period of relative stability, while the economy will grow fairly rapidly. Some scholars maintained that, alongside East Asia, Latin America could become one of the more economically vibrant regions among developing countries.

The countries of Latin America are still confronted by many problems and difficulties, however. The political situation in some countries is fairly tumultuous. Due to unfair social distribution, the question of poverty is increasingly more prominent in Latin America as the gap between the rich and the poor widens. Certain Latin American countries have very serious problems with drug trafficking and terrorism. Even as relations between the United States and Latin America improve, conflicts and struggles continue to surface, manifested primarily in the contradiction between interventionism and anti-interventionism in politics, between trade protectionism and anti-protectionism in economics, and between control and anti-control in military issues. Furthermore, it can be expected that prominent differences and imbalances will appear in the political, economic, and social developments of the different countries in Latin America.

The eighth annual meeting of the China Latin America Society also elected a new executive council, with Chu Tunan as honorary president of the society and Jiang Guanghua as president.

Political & Social

**Deng Calls Democratic Centralism 'Fundamental'**

HK0112102192 *Shanghai BAOKAN WENZHAI* in Chinese 17 Nov 92 p 1

[“Excerpted report” by Huang (7806): “Comrade Deng Xiaoping Recently Pointed Out: Democratic Centralism Is the Fundamental System of the Party and State; It Is Also the Most Convenient and Rational System and Should Never Be Abandoned”]

[Text] According to a report by ZUZHI RENSHIBAO [4809 4930 0086 0057 1032 ORGANIZATION AND PERSONNEL GAZETTE] on 12 November, a central leading comrade recently pointed out: The unity of most leadership groups is good and comparatively good but there is also disunity in some leadership groups. This merits our close attention. Why has disunity emerged in some leadership groups? There are complicated reasons. But in many cases, some comrades do not have adequate consideration for the overall situation and have too much consideration for their individual interests. This does not correspond with the party's aim and fine tradition. There are ancient Chinese sayings which read: “One should live a simple life and show his goal in life,” and “one should consider public interests day and night.” When assessing and examining a leadership group in the future, I think we should first see if it is united and works with one heart and one mind.

This central leading comrade disclosed some recent remarks by Comrade Xiaoping. He said that Comrade Xiaoping recently stressed: Democratic centralism is the fundamental system of our party and state; it is also the most convenient [bian li 0189 0448] and most rational [he li 0678 3810] system and should never be abandoned. For some time, we have talked little about this problem. These instructions of Comrade Xiaoping are very important and were given at a good time. Every comrade should properly understand and conscientiously implement them. We are facing a complicated situation and there are complicated problems to solve. Individual wisdom and talents are very inadequate. There is a need to rely on collective wisdom and collective leadership and to pool the wisdom and efforts of comrades in the entire party. Leading comrades should have a mind as open as a valley and be good at absorbing the views of the masses. Unity is strength and unity gives rise to a coherent force, to combat worthiness, and to new productive forces. This was so during the revolutionary period and is still so during the construction period. This is also the basic reason we have made tremendous achievements in reform and construction for the last 14 years. Stressing unity, unification, and the need to take the overall situation into account are the basic requirements for leading cadres at all levels. Every genuine communist must acquire this political character and abide by this political discipline.

**Yang Baibing 'Violates Taboo' on Bodyguards**

HK0112093592 *Hong Kong MING PAO* in Chinese 1 Dec 92 p 6

[“Newsletter From Beijing” by Wen Shih (5113 4258): “Yang Baibing Reportedly ‘Violates Taboo’ by Changing Bodyguards of Most Senior Officials”]

[Text] According to some well-informed sources here in Beijing, Yang Baibing called a meeting of military officers without authorization on the eve of the 14th CPC National Congress. The meeting made arrangements to cope with Deng Xiaoping's “sudden death.” Moreover, Yang Baibing had also changed the bodyguards of most senior CPC Central Committee leaders, thus violating another taboo. The sources also disclosed that Jiang Zemin, general secretary of the CPC Central Committee, had also “called some people” to come and discuss arrangements to cope with the sudden death of Deng Xiaoping. Thus Deng Xiaoping's office “reminded” the CPC Central Committee leaders, declaring that everything concerning Deng Xiaoping remains the responsibility of the “Deng office.”

According to another well-informed source, the CPC Central Committee Political Bureau held a meeting yesterday to discuss the issue of transferring and appointing provincial and municipal officials. The source said that when Deng Xiaoping fell ill on the eve of the 14th CPC National Congress, Yang Baibing, former CPC secretary general of the Central Military Commission and former director of the General Political Department, committed two errors: 1) he called a meeting of military officers without authorization in a bid to “usurp power with military support”; and, 2) he secretly changed the bodyguards of CPC Central Committee leaders. Yang Baibing argued that what he did was aimed at preparing for any “contingency” so that the army would be able to continually “escort” Deng Xiaoping's “great cause of reform and opening up.”

The sources pointed out that Yang Baibing had also replaced both the principal personnel of the Central Guards Bureau, which is responsible for guarding the CPC hierarchy, and the bodyguards of the CPC Central Committee Political Bureau Standing Committee members with “his confidants” whom he could control and command in case of “emergencies.” Yang Baibing contended that he had acted under Deng Xiaoping's orders.

The sources also disclosed that when Deng Xiaoping fell ill on the eve of the 14th CPC National Congress, General Secretary Jiang Zemin called “some people,” most of whom were Political Bureau members or Political Bureau Standing Committee members, to solicit their opinions on “making arrangements” to cope with Deng Xiaoping's sudden death. Later on, Deng Xiaoping's office especially “reminded” senior CPC Central Committee leaders and a number of veterans in military circles, declaring that “everything concerning Comrade Xiaoping remains the responsibility of the “Deng office.”

The sources also said that a two-day meeting called by the CPC Central Committee Political Bureau, which discussed personnel reshuffles at state ministerial, provincial, and municipal levels, wound up yesterday. The meeting made preparations for party and government personnel reshuffles at the ministerial, provincial, and municipal levels to be revealed at the start of next year. The meeting was mainly devoted to the final examination and approval of namelists submitted by the various state ministries, provinces, and municipalities. It was learned that Jiang Zemin also transferred some of his confidants to a number of state ministries.

It was also learned that Wang Renzhi, former director of the CPC Central Committee Propaganda Department, has been designated secretary of the Chinese Academy of Social Sciences CPC Committee, while Shao Huaze has been designated "RENMIN RIBAO" director. The CPC hierarchy based in Beijing has yet to decide on the fate of former "RENMIN RIBAO" Director Gao Di.

#### **Shao Huaze Appointed RENMIN RIBAO Director**

*HK0112030692 Hong Kong TA KUNG PAO in Chinese  
1 Dec 92 p 2*

[Unattributed report: "Shao Huaze Has Been Appointed RENMIN RIBAO Director To Replace Gao Di"]

[Text] Beijing—The CPC Central Committee recently appointed Shao Huaze as RENMIN RIBAO director.

Shao Huaze was deputy chief editor of JIEFANGJUN BAO and was subsequently appointed chief of the Propaganda Section of the Chinese People's Liberation Army's General Political Department. In 1989 he was transferred to RENMIN RIBAO and appointed RENMIN RIBAO chief editor. He was elected CPC Central Committee member during the 14th CPC National Congress.

It has been learned that the circular also says that Gao Di is no longer RENMIN RIBAO director.

#### **'Leftist Leaders' Form Beijing 'History Society'**

*HK0112034092 Hong Kong THE STANDARD in English  
1 Dec 92 p 10*

[Report by S.L. Law]

[Text] A history society of prominent leftist leaders in Beijing has been established.

The group will probably become a new conservative bastion following the dissolution of the Central Advisory Commission in October, according to Chinese sources.

Sources said the society, named the Chinese History Society of the People's Republic of China, is chaired by prominent leftist leader Deng Liqun, director of the Research Centre of the party's Central Committee.

"The society has also won support from political heavy-weights including the ailing Vice-State President, Wang Zhen, and the Premier, Li Peng," the source said.

Officially registered with the Civil Affairs Ministry on 2 October, the establishment of the society was endorsed by Premier Li in 1990 based on a proposal put forward by Deng Liqun.

The source said all major positions of the society were filled by conservative leaders.

"Among them, the highest ranking was Wang Zhen, the ailing vice-state president currently in hospital in Guangzhou, who is honorary chairman of the society," the source said.

"The society's chairman is Deng Liqun who engineered the idea of forming such a society to allow conservative leaders a legitimate place to get together."

He said the list of the society's office-bearers was a list of leading ideologues still active in Chinese politics.

"There are five vice-chairmen. One is He Dongchang, a close ally of the premier and who lost his former position as vice-director of the State Education Commission earlier this year," the source said.

"The others are Fang Weizhong, former vice-director of State Planning Commission; You Lin, editor-in-chief of SEEKING TRUTH [QIUSHI] magazine; Sha Jiansun, vice director of the party's Central Policy Research Centre; Song Muwen, director of the Press and Public Administration under the State Council and Feng Zizhi, director of the State Archive Bureau.

The source said the society's two advisers were also figures known for their leftist views.

"The two advisers are Xiong Fu, former editor-in-chief of the RED FLAG [HONQI] magazine, and Li Ximing, party secretary of Beijing, who is also a former politburo member," he said.

#### **Meeting Marks 10th Anniversary of Constitution**

*OW0112133792 Beijing XINHUA in English 1313  
GMT 1 Dec 92*

[Text] Beijing, December 1 (XINHUA)—China's current Constitution provides a legal basis for the country's reform and opening policy as well as its economic construction.

The remarks were made by Chinese public leaders and jurists attending a gathering here today three days prior to the 10th anniversary of the promulgation of the Constitution.

The ten-year reign of the current Constitution has been marked by rapid development of reform and opening, which spread from rural areas to cities and from the economic system to other aspects, they said.

Vice Chairman of the Standing Committee of the National People's Congress (NPC), China's legislature, Peng Chong, praised the current Constitution as "a good one in the building of socialism with Chinese characteristics."

"The Constitution makes it clear that the fundamental task of the country is to concentrate on economic construction, and reform and opening to the outside is the key to China's development," Peng said.

Vice President of the China Law Society Wang Shuwen said the Constitution also provides a strong political guarantee for maintaining China's political situation of unity and stability by defining the four cardinal principles as the country's basic line.

Constructing a full socialist democracy is the ultimate target of the current Constitution, and one important characteristic as well, law specialists said.

In the past decade, China has persisted in and continued perfecting its political system of the people's congress, multi-party cooperation under the leadership of the Communist Party and political consultation, as well as the national regional autonomy system for ethnic minorities.

This shows that the basic rule of "all power of the country belongs to the people" in the Constitution has been earnestly implemented, specialists said.

Other achievements of the Constitution lie in strengthening the construction of a socialist legal system, promoting socialist culture and ethics, and implementing the policy of "one country, two systems" for China's peaceful reunification.

The Constitution also helps to revolutionize, modernize and regularize the Armed Forces, and helps the country to maintain its independent foreign policy of peace, which promotes China's diplomatic relations and economic and cultural exchanges with all other countries.

"The authority of the Constitution is closely related to the stability of the country and the basic interests of the people," Peng Chong said. "Therefore, we should take more effective measures to ensure and supervise its implementation."

He said each organization or individual should regulate their activities according to the Constitution and firmly fight against any violation of the constitution or other laws.

"Only by this, could the people's will and activities be united, and the country's long-term stability and prosperity be expected," said the NPC vice chairman.

Minister of Justice Cai Cheng said that at present there are still people who lack understanding of the importance of the Constitution and consciousness of maintaining the dignity of the Constitution.

A lot of work remains to be done in order to ensure the full implementation of the Constitution, he said.

### Peng Chong Calls For New Laws

OW0112115992 Beijing XINHUA in English 1136  
GMT 1 Dec 92

[Text] Beijing, December 1 (XINHUA)—China needs to work out a series of new laws while amending or abolishing outdated ones to keep up with the socialist market economy it is striving to establish, according to Peng Chong, vice-chairman of the Standing Committee of the National People's Congress (NPC), China's highest legislative body.

"It is imperative for us to have a complete legal framework to regulate the market operation and ensure a good economic order," said Peng here today at a gathering to mark the upcoming tenth anniversary of the issue of China's current Constitution.

According to the vice-chairman, laws in the priority list include those for company, banking, securities, budget, investment, social securities and the prohibition of illegal competition.

Peng called for refreshing concepts regarding economic legislation so as to keep up with the development of market economy.

A complete legal framework is the guarantee for establishing a market economy and ensure open and fair competition, said Peng.

Jiang Ping, professor from China University of Political Science and Law, pointed out that economic development and reform call for the improvement of the existing legal system so that economic legislation better reflects the rules of economic activities.

"Economic activities should not be subject to whims of the authorities but be carried out under the relevant laws instead," stressed Jiang.

At another meeting to mark the Constitution some legal experts said that as some economic activities under a market economy are in conflict with a number of articles in the current Constitution, amendment is necessary to legalize these economic operations.

Peng Chong said at today's meeting that some specific stipulations in the Constitution have become incompatible with the present situation as a result of the economic development and the reform and opening.

"The issue deserves our attention. But the amendment should be carried out strictly in accordance with legislative procedure," said Peng.

### Symposium Observing Constitution Anniversary Ends

OW2811035792 Beijing XINHUA Domestic Service in Chinese 1437 GMT 25 Nov 92

[By RENMIN RIBAO reporter Wang Biao (3769 1753) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 25 Nov (XINHUA)—The three-day symposium to mark the 10th anniversary of the promulgation of the Constitution ended today in Beijing. Experts and scholars attending the symposium said an important and urgent topic of study for China's constitutional scholars is how to embody the content and basic spirit of the theory of building socialism with Chinese characteristics—which was systematically generalized in the report to the 14th CPC National Congress—in their theoretical research.

Wang Hanbin, alternate member of the Political Bureau of the CPC Central Committee and vice chairman of the Standing Committee of the National People's Congress, attended and spoke at the symposium. He said the current Constitution is a socialist Constitution which embodies the party's basic line of "one center and two basic points," is imbued with Chinese characteristics, and conforms to China's national conditions; is a general charter for effectively running the country and giving the people peace and security in the new historical period; and is a milestone for our country in developing a socialist democracy and in improving the socialist legal system.

Comrades attending the symposium recalled and summed up the achievements, experiences, and problems in implementing the Constitution over the past ten years. They held that the 14th CPC National Congress had provided theoretical research on the Constitution with many important topics. At present and in the future, it is necessary to study the establishment of a legal system based on the Constitution and suitable for the development of a socialist market economy. At the same time it is imperative to study the relationship between the Constitution and reform of the political structure, to further improve the system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the CPC, and to strengthen constitutional supervision and the study of human rights issues.

During discussions, some experts and scholars suggested that along with the advancement of China's reform, opening up, and modernization drive, actual practice has extended beyond some of the provisions of the Constitution. Therefore, amendments to some of its provisions are necessary to suit the development of the situation. Many comrades also put forward specific opinions on which part of the constitution should be amended and on the methods of amendment.

Zhu Jianming, permanent vice president of the China Law Society, delivered the keynote speech at the symposium, and Cao Zhi, permanent deputy secretary general of the Standing Committee of the National People's Congress, summed up its results. They suggested that in launching a theoretical study of the constitution, it is necessary to especially stress the emancipation of minds and to seek truth from facts. It is necessary to break the shackles of traditional concepts, overcome the dogmatic understanding of Marxism, abandon an unscientific or

even distorted knowledge of socialism, integrate the basic tenets of Marxism with the reality of China, study new situations, sum up new experiences, and solve new problems. At the same time it is necessary to boldly absorb and learn from, and be good at absorbing and learning from, rational and useful things in the system and theory of constitutional government of foreign countries, including capitalist countries.

The symposium was sponsored by the General Office and the Legislative Affairs Commission of the Standing Committee of the National People's Congress, the Propaganda Department of CPC Central Committee, the Ministry of Justice, and the China Law Society. Attending the symposium were more than 100 experts, scholars, and comrades who had taken part in drafting the Constitution. They delivered more than 50 theses to the symposium and engaged in heated discussions of the main topic—"the Constitution and building socialism with Chinese characteristics"—and other issues such as the Constitution and the guidelines of the 14th CPC National Congress, the Constitution and building a socialist market economy, and the Constitution and advancing reform of the political structure.

#### Jiang Zemin Writes Corporation Inscription

SK2711043892 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 26 Nov 92

[Text] Hebei (Duozhou) Dongfang Industrial Corporation was formally established on 26 November.

Jiang Zemin, general secretary of the CPC Central Committee, wrote an inscription for the corporation. He inscribed: "Keep Improving." Li Peng, premier of the State Council, inscribed: "The Enterprise in the East Brings About Changes Day After Day." Present at the opening ceremony were He Guangyuan, minister of machine-building and electronics industry; Xing Chongzhi, secretary of the provincial party committee; Lu Chuanzan and Li Bingliang, deputy secretaries of the provincial party committee; Yang Zejiang, chairman of the provincial advisory commission; Guo Zhi, chairman of the provincial people's congress standing committee; Zhang Runshen, vice governor; and responsible comrades of provincial-level departments and bureaus and the Baoding Prefectural party committee.

This corporation was organized by eight enterprises, including the Dongfang carpet trading company, [words indistinct], and the Baoding Credit and Investment Company of the Industrial and Commercial Bank of China. Some of the staff members and workers in the corporation own the stocks totaling 66.66 million renminbi yuan. [sentences indistinct]

Xing Chongzhi, secretary of the provincial party committee, wrote an inscription for the corporation's establishment. His inscription reads: "Develop Limited Company and Pioneer Markets at Home and Abroad."

Xing Chongzhi first pointed out in his speech: Since its establishment, the Dongfang Enterprise Association has taken markets as guidance; positively joined the international economic circulation; stood fast on the international markets with its best product quality, advanced management systems, and reasonable production factors mechanisms; become an enterprise association spanning various provinces and cities, with various kinds of ownership, involving various trades, and [words indistinct]; and made contributions to developing the economy. The establishment of the Dongfang Industrial Corporation indicates that the Dongfang Enterprise Association has further developed and expanded itself. The corporation should set a good example for various kinds of enterprises in the province.

Xing Chongzhi urged in his speech that all localities across the province should conscientiously study and draw lessons from its experiences; and further show concern for, protect, and support the development of enterprises.

He urged that Dongfang Industrial Corporation should further strengthen the sense of urgency, proceed from the requirements as set forth in the inscriptions by General Secretary Jiang Zemin and Premier Li Peng, grasp the current favorable opportunities to bring into full play its own advantages, positively develop and expand itself through the sharp market competition, [words indistinct] the markets at home and abroad, and win new and bigger victories one after another.

#### **Qiao Shi, Li Peng Inscribe Book Series**

OW0112085592 Beijing XINHUA Domestic Service in Chinese 0335 GMT 26 Nov 92

[Text] Beijing, 26 Nov (XINHUA)—China's first 100-volume book, "Fourteen Years of Shining Successes China Has Achieved in Reform and Opening Up"—which sums up the nation's brilliant achievements and rich experiences in reform and opening up in the last 14 years in a systematic, comprehensive, and scientific manner—will be published by the China Economic Publishing House in the near future.

Comrades Qiao Shi and Li Ruihuan inscribed separate messages for the book. Zhu Rongji, Tian Jiyun, Zou Jiahua, Li Lanqing, Jiang Chunyun, Ren Jianxin, Peng Chong, Chen Muhua, Wang Hanbin, Wang Bingqian, Li Guixian, Chen Xitong, Song Jian, and Chen Junsheng served as advisers for the book.

The multivolume book was compiled and written by the China Institute of Economic Laws [CIEL], and Comrade Gu Ming, vice chairman of the Law Committee of the National People's Congress [NPC] Standing Committee and CIEL president, was editor-in-chief. Over 130 leading comrades of various provinces, municipalities, autonomous regions, special regions, open coastal cities in the country and relevant ministries, commissions, and bureaus served as chief editors for individual volumes for the book.

Materials selected for use in the book include general and specific policies, actual performance, achievements, and experiences concerning reforms and opening up from 1978, the year in which the Third Plenary Session of the 11th CPC Central Committee was convened, to 1992. Huge amounts of facts and information have been incorporated into this gigantic book series.

#### **Qiao Shi Inscribes Title of Zhejiang Publication**

OW0112111092 Hangzhou ZHEJIANG RIBAO in Chinese 16 Nov 92 p 1

[By Jiang Wensheng (5592 2429 0524): "Qiao Shi Inscribes Title of ZHEJIANG SHAONIAN"]

[Text] The province's Young Pioneers recently received a precious gift; Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee, inscribed the title of their official publication, ZHEJIANG SHAONIAN [3181 3068 1421 1628, ZHEJIANG TEENAGERS].

ZHEJIANG SHAONIAN, which began publication in October this year, is the only official publication for Young Pioneers in the province. It is jointly published by the Zhejiang provincial committee of the Communist Youth League and the provincial working committee of Young Pioneers.

#### **Li Ruihuan Attends Table Tennis Tournament**

OW0112092692 Beijing Central People's Radio Network in Mandarin 2230 GMT 30 Nov 92

[From the "News and Press Review" program]

[Text] A goodwill table tennis tournament between friendly Chinese and Japanese cities opened on the evening of 30 November at the National Olympic Sports Center. The tournament is sponsored by the China-Japan Friendship Association, the China Table Tennis Association, and the Beijing People's Association for Friendship with Foreign Countries to mark the 20th anniversary of the normalization of Sino-Japanese diplomatic relations.

Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and honorary chairman of the China Table Tennis Association, attended the opening ceremony and met with Mr. (Kazujiro Yoshimura), head of the Japanese delegation, and other Japanese friends. Vice President Wang Zhen, who is also an honorary president of the China-Japan Friendship Association, sent a congratulatory message to the opening of the tournament.

During a meeting with some Japanese friends, Li Ruihuan said that the goodwill table tennis tournament between friendly Chinese and Japanese cities is the last and the largest event to mark the 20th anniversary of the normalization of Sino-Japanese diplomatic relations. He

urged people within table tennis circles in China and Japan work hard together to explore new fields in table tennis sports.

Wang Zhen said in his congratulatory message: We hope the Chinese and Japanese peoples will regard the 20th anniversary of the normalization of Sino-Japanese diplomatic relations as a new starting point and continue to contribute to promoting Sino-Japanese friendship and safeguarding Asian and world peace.

China and Japan have established friendly ties between a total of 134 pairs of provinces, prefectures, and cities since 1973.

#### **Hu Jintao Addresses Women's Federation Meeting**

*OW2911161592 Beijing XINHUA in English 1533  
GMT 29 Nov 92*

[Text] Beijing, November 29 (XINHUA)—The Seventh National Congress of the Chinese Women will be held next September.

This was decided at the Fifth Session of the Sixth Executive Committee of the All-China Women's Federation, which closed here today.

The four-day conference beginning on November 26 called on all the Chinese women and women's federations at all levels to make their contributions during the country's drive of reform and opening to the outside world.

Hu Jintao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and secretary of the Secretariat of the CPC Central Committee, said at the conference that the party committees at all levels should pay more attention to training and promoting women cadres.

He also called upon the Chinese women to adhere to the party's basic lines and implant new concepts into their minds while taking their initiatives in building socialism with Chinese characteristics in China.

#### **Li Tieying on Appraising Higher Education**

*OW3011133492 Beijing XINHUA Domestic Service in Chinese 0651 GMT 28 Nov 92*

[Text] Beijing, 28 Nov (XINHUA)—The first plenary session of a national appraisal committee for the establishment of schools of higher learning was held in Beijing recently.

The session was meant to be an inaugural meeting as well as the first work meeting of the appraisal committee. Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and chairman of the State Education Commission, and commission Vice Minister Zhu Kaixuan attended and spoke at the meeting. After Comrade Zhu Kaixuan had read out a list

of 45 members of the appraisal committee, who were appointed by the State Education Commission, Comrade Li Tieying presented certificates of appointment to them. The meeting discussed and approved the "Charter of the National Appraisal Committee for the Establishment of Schools of Higher Learning," elected the appraisal committee's chairman and vice chairmen, and assessed some prospective schools of higher learning on behalf of the State Education Commission.

In his speech, Li Tieying said: The inauguration of the appraisal committee signifies a major reform measure in China's higher education; it is a gratifying step forward in shifting the power to approve the establishment of schools of higher learning from unitary administrative authorities to a combination of experts and administrative authorities. From now on, applications for the establishment of schools of higher learning should be first appraised and examined by the appraisal committee before submitted to the State Education Commission for approval. Comrade Zhu Kaixuan outlined the principles and tasks of the appraisal committee. Members of the committee unanimously pledged to perform their duties conscientiously and in a responsible manner, and to offer good advice to the State Education Committee in making policy decisions.

During the meeting, members of the appraisal committee earnestly appraised 11 prospective schools of higher learning and voted on the applications by secret ballot. The appraisal committee approved, in principle, the State Education Committee's proposal to handle problems left over from the work of replenishing, consolidating, and rationalizing the distribution of schools of higher learning. He Dongchang, chairman of the appraisal committee, concluded the proceedings with a summing-up speech.

#### **Wu Bangguo Attends Symposium on Shaoxing Opera**

*OW3011143492 Beijing XINHUA Domestic Service in Chinese 0717 GMT 30 Nov 92*

[By reporter Zhao Lanying (6392 5695 5391)]

[Excerpts] Shanghai, 30 Nov (XINHUA)—The Shaoxing opera community is going to celebrate a second upsurge of reform. The overture to this movement was played by a symposium marking the 50th anniversary of reform in the Shaoxing opera and related theatrical performances, which recently concluded in Shanghai. [passage omitted]

Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai municipal party committee, watched the performances.

#### **Ding Guangen Encourages Central Art Troupe**

*OW2911080792 Beijing Central Television Program One Network in Mandarin 1100 GMT 22 Nov 92*

[From the "National News Hookup" program]

[Text] The third central "Heart to Heart" Art Troupe was formed in Beijing yesterday, 21 November, and will depart for Guangxi Zhuang Autonomous Region tomorrow on a performance tour for ethnic minorities and soldiers in the region.

Ding Guangen, member of the Political Bureau of the CPC Central Committee, exhorted troupe members to use their artistic talents to forge national unity and contribute more to consolidating national defense and bringing about economic prosperity to the frontier regions. [video shows shots of Ding talking to performers and posing with them for group pictures]

#### Tian Jiyun Urges Preventing Forest Fires

OW2611220092 Beijing XINHUA in English 1353  
GMT 26 Nov 92

[Text] Beijing, November 26 (XINHUA)—Chinese Vice-Premier Tian Jiyun today urged all localities to make greater efforts to contain the rising incidence of forest fires in recent months.

Speaking at a telephone conference here today, Tian Jiyun said that the number of forest fires has increased drastically since 1991, particularly in recent months, adding that several serious forest fires which claimed the lives of some fire fighters occurred in some provinces and regions south of the Yangtze River [Chang Jiang].

The vice-premier said that there was a time when the prevention of forest fires showed good results. During 1988-1991, about 0.03 percent of the country's forests were ravaged each year by fire, as against about 0.8 percent during the 1949-1978 period.

Tian told the conference that all localities must absolutely make sure that no huge fires take place in the coming months.

In 1987, a huge forest fire in Da Hinggan Ling Prefecture of northwest China caused hundreds of million yuan in losses and attracted worldwide attention.

Gao Dezhan, minister of forestry, said at the conference that during the first 10 months of this year, the number of separate blazes reached only 20.3 percent of the total for 1991, yet the total forest area damaged by fire was 15.6 percent more than in 1991.

The minister said the number of people killed by the fires was 100 percent more than in the previous year.

Recently, a huge forest fire in a province in south China affected 14 villages of two counties, damaging 1,093 ha [hectares] of forest, said the minister, who did not give more details about other forest fires.

The minister attributed the increasing severity of forest fires mainly to global warming which has resulted in unrelenting droughts in most provinces and loose management in some areas.

#### Congratulates Dazhai Sweater Factory

OW301100892 Beijing XINHUA Domestic Service in Chinese 1416 GMT 28 Nov 92

[By reporter Zheng Dejin (6774 1795 6855)]

[Excerpt] Beijing, 28 Nov (XINHUA)—Speaking in Beijing today, Guo Fenglian, secretary of the Dazhai village party branch, revealed to people in various circles the following fact: Dazhai, situated at the foot of Hutou Shan, is now capable of independently producing high-quality sweaters.

The China Dazhai Sweater Factory and the Jiangyin City Woolen Textile Dyeing Mill held a joint news briefing here today. Tian Jiyun, vice premier of the State Council, attended the briefing and extended his congratulations. He said: The vigorous development of a socialist commodity economy—a market economy—is the only course the Chinese nation and Dazhai must take to achieve prosperity. He wished Dazhai rapid progress and renewed vigor during the course of economic construction. He expressed the hope that the Dazhai Sweater Factory would become a first-class enterprise and contribute toward a thriving market economy and the well-being of the people. [passage omitted]

#### Writes Inscription for Food Company

OW0112125092 Beijing XINHUA Domestic Service in Chinese 1102 GMT 30 Nov 92

[By reporter Ren Zeli (0117 3419 0536)]

[Excerpts] Beijing, 30 Nov (XINHUA)—The contract signing ceremony for the establishment of a joint venture, "Jinyuan International Green-Food and Grain Company Ltd," was held in Beijing today. The company is invested in by the General Green-Food Corporation of the Agriculture Ministry, the Dawa Grain General Corporation Group of Liaoning's Farms and Land Reclamation Department, Zhongming Hong Kong Company Ltd of the Jinyuan Rice International Company Ltd, Chinese Tiancheng Company (Group), and Quanqiu Trading Company Ltd (Thailand). This newly established joint venture has the decisionmaking power in green food and grain exports. [passage omitted]

Vice Premier Tian Jiyun attended today's signing ceremony and wrote an inscription: "Develop green food, benefit future generations."

#### Zou Jiahua Incribes for Haikou International Fair

OW3011170792 Beijing XINHUA Domestic Service in Chinese 0840 GMT 30 Nov 92

[By reporters Ouyang Xiaoqing (2962 7122 2556 2532) and Chen Jiang (7115 3068)]

[Excerpt] Haikou, 30 Nov (XINHUA)—There is no winter in Hainan. The state-owned Haikou Canned

Food Factory, shaded under the green coconut trees, held a six-day second international fair, which began on 28 November.

Vice Premier Zou Jiahua wrote an inscription for the fair. Pan Beilei, light industry vice minister, came from Beijing to extend her congratulations. [passage omitted]

### **Wu Xueqian in Guangdong; Urges Promoting Tourism**

*OW2911084492 Beijing XINHUA Domestic Service in Chinese 0305 GMT 27 Nov 92*

[By reporter Jiang Zhimin (5592 1807 2404)]

[Text] Guangzhou, 27 Nov (XINHUA)—During a recent inspection tour of Guangdong, Vice Premier Wu Xueqian stressed the necessity of energetically promoting the development of tourism resources in depth and width. He also stressed bringing into play the comprehensive role of tourism in facilitating opening and bringing about social and economic prosperity through increasing foreign exchange earnings from tourism.

The vice premier successively inspected the cities of Guangzhou, Dongguan, Zhongshan, Zhuhai, and Shenzhen from 18 through 27 November. After visiting enterprises, schools, emporiums, peasant housing, and economic and technological development zones, he said he was very pleased with the great changes and refreshing outlook of Guangdong, which he had not visited for several years. He attributed the province's successes to its big strides in emancipating minds, and reforming and opening up. He expressed the hope that Guangdong would summarize its experiences and, in accordance with the 14th CPC National Congress' guidelines, deepen reform, open wider to the outside world, and scale new heights while providing more useful experiences for other provinces.

During his inspection, the vice premier visited a number of key tourist spots and new tourism development areas, and heard work reports from the relevant departments. He said: Guangdong, a province with marked achievements in promoting tourism in recent years, is among the top provinces in foreign exchange earnings from tourism. This success in tourism should be accredited not only to Guangdong's geographical advantages—its proximity to Hong Kong and Macao—but more importantly, to the close attention paid by leaders at all levels to attending to tourism as an industry for earning foreign exchange.

Discussing ways to further promote tourism, We Xueqian said: We should, in line with the demand for establishing a socialist market economy, attract more foreign capital in order to accelerate the development of tourism resources and the construction of a tourist infrastructure. At present, particular attention must be paid to the development and construction of national tourism and vacation areas, and in winning a bigger

share of the international tourism market and more foreign exchange earnings from tourism. Meanwhile, we should attach importance to overall control, ensure scientific verification and planning and design, avoid redundant construction projects, and build more tourist facilities with indigenous features.

While in Shenzhen Special Economic Zone, Wu Xueqian also inspected the Overseas Chinese City.

### **State Councillor Wang Bingqian Inspects Shandong**

*SK2511214792 Jinan DAZHONG RIBAO in Chinese 16 Nov 92 p 1*

[Text] From 1 to 15 November, State Councillor Wang Bingqian inspected Yantai, Weihai, Qingdao, and Jinan. During his inspection, Wang Bingqian set forth important opinions on implementing the guidelines of the 14th CPC Congress and speeding up the progress of reform, opening up, and economic development.

While inspecting the Yantai development zone, Wang Bingqian said that to run development zones, we should attend to the following few work tasks. First, we should make a unified plan, make a reasonable arrangement, have peculiar priorities and special characters, and pay attention to displaying the local advantages. The province should develop several key development zones and define them to play an exemplary role. We should run development zones not only bravely but also in a down-to-earth manner and according to our capability. We should pay particular attention to avoiding duplicate construction and duplicate import. Second, we should stress quality and efficiency in developing projects. The general principle is to see results in each and every one of the imported projects and to consolidate the imported items. Enterprises should take the economic results as a key link. Without good economic results, enterprises will become unreliable.

Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, held talks with him during his inspection in Jinan. Governor Zhao Zhihao and Vice Governor Ma Shizhong reported the provincial economic work situation. In regard to the issue of how to deeply implement the guidelines of the 14th CPC Congress and the issue of how to speed up the pace of reform, opening up, and economic development, Wang Bingqian stressed: First, in regard to the economic development, we should persist in high speed, high quality, high efficiency, and export orientation, and optimum structure. So long as we attend to the work in these spheres will we be able to make good development. At present, all localities are making efforts to speed up their development. It will be possible to face difficulties because all of them proceed from their own reality. Therefore, the localities should not only open themselves to the outside world but also make a good plan in line with the local reality. At the time of opening to the outside world, we should proceed from the local reality to make a good

plan and bring our advantages into play. On the contrary, we will not be able to win the competition. The province should make a unified plan to run several great matters and fulfill several formidable tasks. Second, in developing the economy, we should regard agriculture as the foundation, industry as a leading factor, commerce as a link, and science and education as the key. We should develop high-yield, top-quality, and high-efficient agriculture; combine agriculture with town and township enterprises; and develop large-sized enterprises. In line with the principle of "decontrolling four aspects," we should continue to develop commerce. In developing market economy, we should arrange markets and take market demands into consideration. We should coordinate industry with commerce, urban areas with rural areas, and domestic markets with foreign markets. Third, we should enliven the financial work. In the past, we relied on finance to do everything under the product economic system. Now, how to handle the financial work under the market economic conditions is an important question. From now on, we should rely on the whole society to pioneer financial resources. So far, all localities have excessively higher demands for capital. So, we should take the overall situation into consideration and avoid making a lot of allocations. Fourth, we should make a good plan, guidance, and priorities in developing tourist trade and avoid making scattered development. Simultaneously, we should coordinateably develop road, railway, and aviation facilities so that tourists will find it easy to come into and go out. Fifth, we should continue to attend to the work of turning deficits into profits. In line with the implementation of the "regulation," we should further increase the economic results. Sixth, we should streamline administration and change functions.

During the inspection, Wang Bingqian held talks with directors of some city and prefectural financial bureaus on how to improve the financial work under the new situation of developing the socialist market economy.

#### Bo Yibo Writes Inscriptions for Party Magazine

OW2811050292 Beijing XINHUA Domestic Service in Chinese 0519 GMT 26 Nov 92

[Text] Beijing, 26 Nov (XINHUA)—The CPC Central Party Literature Research Center and Central Institute of Archives held a forum here this morning to mark the fifth anniversary of the publication of DANG DE WEN XIAN [PARTY'S DOCUMENTS]. Comrade Bo Yibo specially wrote an inscription for the magazine: "DANG DE WEN XIAN has recorded the party's history and the development of Mao Zedong Thought. I hope DANG DE WEN XIAN will play a greater role in this respect."

DANG DE WEN XIAN, whose title was written by Comrade Deng Xiaoping, is a bi-monthly publication of the CPC Central Party Literature Research Center and Central Institute of Archives. It uses quite a large space to publish articles and manuscripts by Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, Deng Xiaoping, and other revolutionaries of the older generation as well as

current central leaders; these are articles and manuscripts which have never been made public before. It also publishes other important party documents and files, especially those related to the formation and development of the party's major policy decisions, guidelines, theories, and viewpoints as well as research papers on these topics. Recently it has initiated a column entitled "Theories and Practice of Building Socialism With Chinese Characteristics" which publishes important documents and research articles in this area. The column has helped to promote study and research in the theory of building socialism with Chinese characteristics.

More than 70 leaders from relevant departments and theorists attended the forum, including Pang Xianzhi, Sha Jiansun, Jiang Siyi, Jin Chongji, Wang Mingzhe, Zhang Yunsheng, Wu Jianguo, Zhang Changhai, Jin Huiming, and Ma Yingbo. Participants all spoke quite highly of this magazine.

#### Book on Deng Xiaoping as Reformer Published

OW0112122192 Beijing XINHUA Domestic Service in Chinese 2059 GMT 29 Nov 92

[Excerpt] [Passage omitted] The ceremony to release the domestic edition of the book, "The Great Reformer Deng Xiaoping," was held recently in Hunan's Yueyang. Liu Lantao is the honorary chairman of the committee charged with publishing this book.

The book is written by Macao writer Yang Pengxiang. In a form that blends reportage with biography, the book quite systematically, objectively, and impartially describes the historical process and great success of China's 14 years of reform and opening. It relates the great thought and experience of Deng Xiaoping as the "chief architect of reform and opening" during the direction and promotion of China's reform and opening. The book contains 31 chapters and over 180,000 characters and was published twice in Macao, in 1988 and early this year. [passage omitted]

#### Public Security Minister Inspects Work in Hubei

HK0112060792 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 21 Nov 92

[Text] Minister of Public Security Tao Siju, during the period when he attended the State Council Three Gorges Project Construction Work Meeting, went to Yichang, Shashi, Jingzhou, and Wuhan to look at the situation of public security work in the province. He also visited public security policemen.

Tao Siju listened to reports by the provincial public security department and Wuhan City Public Security Bureau and fully affirmed our province's public security work. He said the public security organs of various levels must seriously study the new situation and new problems arising from the establishment of market economy, earnestly strengthen the two main duties of cracking down on crime and managing social security, and diligently

create a good security environment for the establishment of socialist market economy. He said that at present, the State Council is attaching great importance to the Three Gorges project, and the security duties are arduous and heavy, so the public security organs of various levels must, under the leadership of the party committee and government, earnestly grasp the work.

### **Ren Jianxin Cuts Ribbon for Calligraphy Exhibition**

*OW0112085392 Beijing XINHUA Domestic Service in Chinese 0912 GMT 30 Nov 92*

[Excerpt] Beijing, 30 November (XINHUA)—The first calligraphy and painting exhibition of the nation's courts, sponsored by the Supreme People's Court, officially opened 30 November at the Museum of Chinese Revolution. Present at the opening ceremony and cutting the ribbons were Ren Jianxin, member of the Secretariat of the CPC Central Committee and president of the Supreme People's Court; Ma Wenrui, Vice Chairman of the Chinese People's Political Consultative Conference, and Zheng Tianxiang, former president of the Supreme People's Court. [passage omitted]

### **Guangzhou Radio on National Procurators Meeting**

*HK0112101292 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 22 Nov 92*

[Text] A national conference of chief procurators opened on 21 November in Shunde, Guangdong Province. Zhang Siping, Supreme People's Procuratorate deputy procurator general, made a report at the meeting. He said: Procuratorates at all levels across the country have been directing the thrust of this year's anticorruption and antibribery drive at crimes of serious corruption and bribery. From January to October, of cases put on file for investigation, big cases accounted for 27.8 percent of the total, up 3.7 percentage points from the same period last year, an all-time high. A total of 595 cadres at or above the county and department levels were put on file for investigation; of these 17 were at the department and bureau levels. Booty and bribery money worth a total of 371 million yuan were seized.

The meeting was presided over by Liu Fuzhi, Supreme People's Procuratorate procurator general. Xie Fie, CPC Central Committee Political Bureau member and Guangdong Provincial CPC Committee secretary, and Fang Bao, provincial party committee Standing Committee member, gave separate speeches at the meeting.

### **One Bomb Explodes, 1 Removed From Guangzhou-Bound Train**

*HK0112063992 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0844 GMT 30 Nov 92*

[Text] Guangzhou, 30 Nov (ZHONGGUO TONGXUN SHE)—On the night before last [28 November], an

explosion occurred on passenger train No. 345 which was on its way from Pingxi to Guangzhou; the explosion caused no casualties.

At 1835 that night, while the train was traveling in tunnel No. 1 of Lianjiangkou, Yingde County, an explosion suddenly occurred in the washroom of compartment No. 7, destroying the washroom panels, smashing its window, damaging its top, and destroying the toilet and washbasin.

After the train was out of the tunnel, it immediately stopped for an emergency check. Another explosive device, made of two tubes of explosives with a detonator and a fuse, was removed from under the second row seat of compartment No. 7. After a two-minute stop, the train continued southward.

It was learned that, when the accident happened, a young man was seen rushing out of the washroom of compartment No. 7, face bloodstained and clothes blown to pieces. He is the major suspect. Public security departments are now making all-out efforts to crack the case.

### **Government Employee Pension System Overhaul Slated**

*OW2811001992 Beijing XINHUA in English 1018 GMT 27 Nov 92*

[Text] Beijing, November 27 (XINHUA)—China's decades-old pension system for its government employees will soon undergo a major overhaul.

The move, which aimed at ensuring the security of retirees and easing the burden on state coffers, is a part of the nation's personnel and wage reform.

Now the total expenditure on pensions for nearly four million retired government employees in the country stands at about 7.2 billion yuan each year.

The new pension program, according to an official from the government's labor and personnel department, requires all government employees to pay a certain amount—not yet clear how much—of their salary into a pension fund which will be used to pay benefits to them after retirement.

Under the current pension system for government employees, the government is fully responsible for supporting all its retired employees.

The current pension system for already-retired employees will not be affected by the new program and the living standards of these people will improve along with national economic development.

More than 31 million people working for government organizations and other public organizations across the country will be the targets of the pension reforms.

By changing the current pension system, China will eventually establish a social security system for all retirees.

## Economic & Agricultural

### Companies' Role in Return to GATT Discussed

HK2511111692 Beijing GUOJI SHANGBAO in Chinese  
6 Oct 92 p 1

[Article by Wu Yue (2976 6460): "Companies Should Have Sense of Crisis—Fourth Thought on China's Readmission to GATT"]

[Text] When talking about China's readmission to GATT, we cannot stop short of talking about our companies. Through the reform of the past 13 years, people in our country have all considered companies as a symbol of wealth. No one can tell how many state-owned, collective-owned, and private companies now exist in China. However, there are only so many foreign trade companies, because the power for doing import and export business is still held in the hands of the state's foreign economic relations and trade department. China's readmission to GATT will be realized very soon, but what is the actual strength of China's foreign trade companies? From the central to the local levels, there are 13 major ranges of specialized import and export corporations; various ministries and commissions also have their own industrial and trade companies to handle special commodities; various provinces and municipalities have their own companies engaged in domestic and foreign trade under the double-track planning system. In addition, some township and town enterprises and foreign-funded enterprises also directly export their products. In 1991, China's total volume of export was \$71.9 billion; the specialized corporations and companies run by ministries and state commissions accounted for over 80 percent; and foreign-funded enterprises earned \$10 billion in foreign exchange through exporting their products, and this accounted for 16.7 percent of the total export volume.

If China does not regain its seat in GATT, the present pattern and strength of China's foreign trade companies will make China rank among the world's major trading countries, and their foreign exchange earning capacity will also be in line with the conditions of a developing country which is undergoing the economic take-off. However, it will be hard to foresee the situation after China regains its seat in GATT. China's readmission to GATT will be an event of primary importance for people and companies involved in foreign trade. Before other departments reacted to this event, the Ministry of Foreign Economic Relations and Trade took the lead in reforming the export system according to the GATT principles by ensuring that the foreign trade companies can operate independently and bear sole responsibility for their own profits and losses. When China was more likely to return to GATT, it took the timely action of reforming the import management system. China's readmission to GATT will certainly bring about changes in the domestic trade environment; one can only proceed from the analysis of the gains and losses after the reform

of the foreign trade system in order to foresee the advantages and disadvantages.

According to the analysis of things in various aspects, after the new system was put into operation for one year, the state's overall regulation of, and control over, foreign trade gradually shifted to a pattern relying mainly on the regulatory role of the economic levers. The initial results of implementing such reform measures as lowering the Renminbi exchange rate and adopting the foreign exchange retention system in foreign companies show that if the companies can operate on their own and bear responsibility for their own profits and losses, they can more effectively achieve the goal of increasing profits and earning more foreign exchange. The business statistics kept by the Ministry of Foreign Economic Relations and Trade show that the foreign exchange income earned by various types of foreign trade companies increasing on the whole. However, as the foreign trade system is a branch of our current economic structure, isolated reform in this aspect cannot be thorough-going before the national economy undergoes overall restructuring, and foreign trade also cannot be freed from the negative impact of the old economic structure. 1) Like the overall economic structural reform, the reform of the foreign trade system is also focused on the separation of the government from the enterprises. Large and medium state-owned industrial enterprises have not actually been operating independently on their own; large and medium state-owned foreign trade enterprises are also situated in the same condition. Concretely speaking, the relationship between ownership and management power with regard to the specialized foreign trade corporations has yet to be clearly defined by the state. Their current business scope and import-export plans are still controlled by the planning mechanism rather than the market mechanism. 2) The costs of export commodities remain at a high level; as a result, the exportation of many commodities just incur losses. People in the trade hold that the foreign structure that separates production from trade makes it impossible for the foreign trade enterprises to check the condition of high consumption and low efficiency in industrial enterprises. 3) Expanding the part of foreign exchange earnings retained by foreign trade companies will only guarantee to a certain degree the operation mechanism of bearing responsibility for profits and losses. Using the profits made from the import business to make up for losses incurred in the export business will depend on the adoption of well-coordinated reform measures. 4) A lot of foreign trade enterprises are still seriously plagued by the debt chain, and this is mainly related to the practice of operating on historic credit.

Admittedly, if China returns to GATT under such conditions, the GATT principle of "constraining government behavior and ensuring fair competition" will have a direct effect on China's foreign trade and will make the foreign trade enterprises a host of dragons without a head, with each one seeking its own way out in business. For state-owned specialized foreign trade corporations,

the reduction in government behavior means that some major commodities they previously monopolized will be subject to redistribution, and the fair competition principle means that the flowing direction of the goods will change. The previous suppliers of export commodities will operate on their own, and the township and town enterprises and the foreign-funded enterprises that are not weak in the past will vie with each other in seizing the foreign trade channels that the specialized corporations kept for several decades by making painstaking efforts. In addition, after China returns to GATT, the scope of products sold directly by various types of manufacturers will gradually widen, and some manufacturing enterprises will engage in exporting their products while they have no foreign trade experience. This may make the foreign trade environment more complicated. If the "dumping" behavior that the specialized corporations could not prevent in the past increases, some foreign countries may launch another round of "antidumping" investigation against our foreign trade enterprises. A sterner fact is that after the new market mechanism is adopted, some companies that incur losses in doing business will have to go bankrupt, and such bankruptcy will have an impact beyond the scope of foreign trade. It will be harder to solve such problems as the movement of the work force, the transfer of funds, the stockpiling of export-oriented products, and the debt defaults. The best solution this reporter can foresee is that companies running in the red wait to be merged into companies running in healthy conditions and having substantial financial strength.

In the past, although there were various problems in our economic structure, without the external pressure, the old economic structure was merciful toward all companies. In most cases, profit-making companies could make profits because the state's policy was inclined in favor of them; companies running in the red could also survive with the support of the state. Not long ago, the China Metals and Minerals Group was established, and this reporter covered the event. It was found that its development vista could be rather bright. The China National Metals and Minerals Corporation was one of the 13 specialized foreign trade corporations under the Ministry of Foreign Economic Relations and Trade. In the past decades, as it enjoyed the unparalleled advantages in the aspects of personnel, funds, credit, and policy favor, it became one of the leading companies with the strongest power in China's foreign trade industry. Such companies were the main objects of the state's support, and they also had strong adaptability. In 1988, local subsidiaries were separated from the corporation, and the corporation thus lost all the original suppliers, but this still did not sap its strength. At present, as China is going to return to GATT, the corporation again took the lead in forming a more sizable enterprise group after the establishment of the China Petrochemicals Import and Export Enterprise Group in 1990. To my surprise, I found that there are many large and medium companies and enterprises which are doing transnational or transregional business

in more than one trade among the 280 subsidiaries closely or loosely associated with the group. Obviously, as the date of China's readmission to GATT is drawing near, those engaged in foreign trade are actually turning themselves into transnational enterprise groups and corporations. The most important fact is that before the previous planning mechanism is replaced by the market mechanism, the specialized foreign trade corporations have acquired an indispensable precondition for participating in free competition; that is, they have completed the "primitive accumulation" of funds. They will not fear the loss of the monopoly status, as long as they continue to enjoy the personnel and credit advantages; they also do not fear the shortage of supply—with their funds, they can build new plants. Stimulated by China's return to GATT, an embryonic form of transnational corporations have emerged in China. Therefore, the national foreign trade corporations are certainly full of confidence when facing the event of China's return to GATT.

The bodies in trouble are some foreign trade corporations under poor management in some provinces and municipalities. Although some of them were not running well, it was rarely heard that any of them had gone bankrupt. This made people doubt whether the state's measures for reforming the foreign trade system were not actually implemented in some localities. According to the analysis of some grass-roots foreign trade enterprises in a province, the volume of import and export business done by a foreign trade company buying and selling business on credit continued to increase, and it was true that they only bore responsibility for profits and did not bear responsibility for business losses. It was also true that such practice was allowed by the government. People may still remember the cocoon war a few years ago. The barriers between localities and the local protectionism have never disappeared since local subsidiaries were separated from the national foreign trade corporations. Should the economic policy really result in "strengthening localities and weakening the central departments?" When government functions are changed in the state's structural reform, consideration may have to be given to this question. Anyhow, some local companies disregard the overall national interests. They bid up the prices of export goods at home, and lowered export prices to solicit foreign importers. This again and again evoked complaints about "dumping" from the United States, Europe, and Japan. In such circumstances, the local governments and local companies are too busy to consider how to adapt themselves to the situation after China's return to GATT.

In fact, it is useless to ask such companies, which were not properly managed for many years or were running in a disorderly condition although their business results were passable, what measures they will take in response to the new situation after China's return to GATT. Under the current system, various problems are complicated and difficult to deal with. Fundamentally speaking, this is first an issue concerning the relationship

between ownership and management of a company. In general, the management of quotas and licenses is still short of transparency. The management of routine affairs is too rigid, but the management of the overall situation is not effective. After China returns to GATT, we shall also join the "license agreement" of GATT. Three years later, the management of the remaining one-third of licenses will follow the international convention with the quantity of licenses to be issued and the time of issuing licenses being made public in advance. At the same time, the examining and approving procedures will also be simplified. This will not only be favorable to fair competition, but will also check corruption.

Second, the scope of company management is still controlled too tightly, and it is uncertain whether the management power is held in the hands of the government or in the hands of the companies. In 1990, the market price of a certain chemical raw material that we had to import for a long time suddenly dropped. The specialized corporation concerned wanted to grasp the opportunity to import an additional quantity of the goods at a low price, because it wanted to resell the additional goods when the price went up again, and thus use the money earned from the price difference to maintain further importation. However, its business scope was under rigid control, and its plan had to be examined and approved by the authorities at various levels. Before the plan passed such approval procedures, the market price had gone up again. On the other hand, the government could only control the companies its hands could reach—could it also effectively control companies in remote localities?

Third, this may be the most important factor. After China returns to GATT, while the market mechanism that was introduced on a large scale shook the old structure, it will completely change our traditional understanding of the companies. Companies are products of the market economy, "operating independently and bearing responsibility for one's own profits and losses" is a new thing for us. We may not know that this is what companies should look like, as they were deformed in the past in our country. Compared with countries pursuing the market economy, there are too many government-run companies in our country. Government-run companies need not be blamed, the problem is that it is hard to solve the responsibility issue if losses are incurred in business. When the reform of the foreign trade system reaches this level, the GATT principle will have substantially impacted on China's economy.

Finally, according to China's tortuous reform experience over the past 13 years, our expectations of the future vista after China's return to GATT should be: A new order will naturally come out of a disorderly condition. In 1991, after the new foreign trade system was adopted, no major chaos was caused although some companies competed with each other in lowering the export prices. There was an issue of common sense. The specialized corporations had no interest in such competition by lowering export prices. It is learned that the difference

between the wholesale price and the retail price of some commodities in foreign markets was 200-300 percent, so the importers did not care whether your export price was several U.S. dollars lower or not. After China returns to GATT, the number of companies and enterprises will increase. However, the foreign trade companies which have the knowledge about the international market earlier than the manufacturing enterprises will still have business to do, as long as they can improve and enliven their business. To raise the economic efficiency, lower the costs, and reduce intermediate links, some manufacturing enterprises will still ask the foreign trade companies to be their agents. This is the why in Japan, Nippon Stell Corporation, a large enterprise that produces 30 million tons of steel annually, still has to find some go-between companies to market its products.

#### State-Run Industry Ordered To Eliminate Losses

HK0112104792 Hong Kong WEN WEI PO in Chinese  
30 Nov 92 p 5

[Dispatch by staff reporter Chen Chien-ping (7115 1696 1627): "Central Authorities Order State-Run Industry To Eliminate Losses"]

[Text] Beijing, 29 Nov—According to an authoritative person here, the central authorities recently called on all localities across the country to try by every possible means to finish the task of turning deficits into profits in state-run enterprises and adopt measures including declaring a number of enterprises bankrupt and reducing surplus personnel. The personnel made redundant will principally be diverted to the development of tertiary industry.

This person said: Making state-run industry turn deficits into profits is one of the current five major tasks of the State Economy and Trade Office. The central authorities hold: State-run enterprises which still fail to attain the goal of eliminating losses after suspending production and those which cannot be amalgamated can be dissolved according to the law after approval; enterprises whose debts exceed their assets and which qualify for bankruptcy should be declared bankrupt. By changing the enterprise mechanism we should be determined to reduce surplus personnel, develop tertiary industry, and launch diversified undertakings and comprehensive utilization.

The person disclosed: The central authorities will concentrate their attention on the 500-odd major loss-making enterprises with an annual loss of over 5 million yuan. Leaders at all levels are required to personally take a hand in the work, and the economic commissions, financial departments, banks, and enterprises should work in close coordination to tackle the issue one enterprise at a time.

The central authorities stress: In the Eighth Five-Year Plan, the number of good state-run enterprises must be increased from the present one-third to two-thirds. The number of loss-making enterprises this year should be

restricted to 24.7 percent and the amount of losses restricted to 27.9 billion yuan. The proportion of loss-making enterprises last year was 29.7 percent. The person said: The central authorities regard the change in the enterprise operation mechanism as a fundamental way for state-run enterprises to turn deficits into profits.

### Economic, Social Indicators Released

HK2611150892 Beijing ZHONGGUO XINWEN SHE in Chinese 1310 GMT 15 Nov 92

[Text] Beijing, 15 Nov (ZHONGGUO XINWEN SHE)—The Chinese Academy of Social Sciences [CASS] Institute of Sociology selected 19 important economic and social indicators and calculated the economic growth rates of various localities in China in order of priority.

An article in the latest issue of ZHONGGUO JINGJI TIZHI GAGE said: To objectively and scientifically appraise the development situations of various localities in Mainland China over the 13 years (1979-91) of reform, the CASS Institute of Sociology "Social Indicator" Topic Group chose 19 important economic and social indicators, and worked out the comprehensive economic and social growth rates since reform with these composite indicators, and then compared growth rates nationwide and between different regions.

The results show that in the 13 years, China had an annual average increase of 4.6 percent in the 19 composite economic and social indicators, greatly exceeding the rates of increase in the 26 years before reform was initiated. Of these, the life quality indicator, which had an increase of 7.1 percent, increased the fastest. Judging from the major indicators, the per capita GNP had an annual average increase of 7.1 percent, social labor productivity had an annual increase of 5.4 percent, and the average actual wages of staff and workers had an annual increase of 3.8 percent.

Coastal areas had quicker rates of increase. In this connection, Zhejiang, Shanghai, Guangdong, and Jiangsu ranked first. Their annual average rates of increase were 6.8 percent, 6.7 percent, 6.1 percent, and 6.1 percent respectively. They were followed by Yunnan, Hainan, Shandong, Hubei, Xinjiang, and Henan. Qinghai came last.

Viewing the social and economic indicators (the social structure is composed of the proportions of tertiary industry workers, nonagricultural workers, mental workers, city and town population, and social investment), there was an annual average increase of 3.1 percent in the 13 years throughout the country. Of these, Hainan, which had an increase of 7.1 percent, was the fastest; Shandong and Hubei ranked second and third. Zhejiang, Guangdong, and Hebei followed closely.

Viewing the population quality indicator (the population quality indicator is composed of the indicators of the natural growth rate of population, the percentage of

people with a junior-high education or above, the number of university students per 10,000 people, the number of professional and technical personnel per 10,000 staff and workers, and the number of doctors per 10,000 persons), there was an annual average increase of 3.6 percent throughout the country. Shanghai was the fastest with an increase of 8.8, while Zhejiang and Beijing both had an increase of 5.1 percent.

Viewing the economic returns composite indicator (economic returns are composed of the five indicators of per capita GNP, social labor productivity, profit and tax rate on the capital of industrial enterprises, per capita revenue, and grain output by each agricultural workers), it had an annual average increase of 4.1 percent throughout the country. Yunnan, Zhejiang, and Guangdong had the fastest rates of increase, and their annual average increase ranged from 7.5 percent to 6.9 percent. Guizhou, Hainan, Fujian, Xinjiang, and Jiangsu were in the same place.

Viewing the life quality indicator (it is composed of important indicators including the consumption level of residents, the average wages of staff and workers, the per capita labor insurance fees of staff and workers and the per capita net income of peasants), it had an annual average increase of 7.1 percent throughout the country and was the fastest-increasing indicator of all. The fastest-increasing regions with an increase of 8 percent or above included Jiangsu, Shanghai, Zhejiang, Tianjin, and Beijing.

The survey shows that the order of priority of nine coastal areas had increase rates basically compatible with their current social development levels. However, some regions had comparatively large differences in this respect. Yunnan's social development level in 1991 ranked 28th, and its rate of increase in the 13 years shifted upward to number five, and that of Guizhou leaped from last to 16th place. The main reason is that these areas have comparatively weak foundations and have developed comparatively quickly since reform was initiated.

### Commentary Calls for Deepening Economic Reform

HK0112132492 Beijing JINGJI RIBAO in Chinese 5 Nov 92 p 1

[Commentary by Jin Ping (6855 1627): "Devote More Efforts to Deepening Reform"]

[Text] The current situation is indeed excellent. Comrade Deng Xiaoping's talks during his southern tour are like a spring breeze stroking the face and the spirit of the 14th Party Congress is like pleasant spring rain. China's economic construction and economic life present an unprecedented scene of vigor and vitality.

In light of past experience and lessons, when the situation is developing in a favorable direction, we should be more cool headed and comprehensively and correctly

understand the situation. The current economic development momentum is good, bumper summer grain has been reaped, output of autumn grain is expected to be high, industrial production has grown rapidly, economic efficiency has increased markedly, market sales have steadily increased, and the overall price level is stable. In the process of speeding up economic development, some new problems have emerged that deserve our attention. For example, investment in fixed assets has increased sharply in some localities, the investment structure is unreasonable, bank credit and the amount of currency in circulation has increased drastically, no improvement has been made in the rapid growth but poor efficiency of industry, and there is a shortage of funds for purchasing farm and sideline produce. Although the circumstances of all localities vary, these problems do not threaten the overall situation. But if we do not earnestly give them attention and solve them, the good situation could suffer setbacks.

An important aspect in comprehensively viewing the economic situation is to make a correct analysis of the "hot issues" in economic work. The emergence of "hot issues" recently, which include the business, stock, real estate, and development zone crazes, is a reflection of deepened reform and maturing markets on the whole. However, some localities, deviating from the reality and disregarding the available conditions, have vied with one another in blindly developing projects, which has resulted in excessive growth. For example, some localities have issued stocks without authorization or exceeding plans. Small stock markets, which are still at the experimental stage, cannot cope with the nationwide stock craze. The craze in real estate further reflects loopholes in our policies and management. We should never underestimate its negative effects. Undoubtedly, the emergence of large numbers of development zones is conducive to opening up and regional development. However, if the number grows tenfold or over annually or if a province establishes 100-200 development zones, what then is the significance of a development zone policy?

In the era of reform and opening up, the substantial progress made in reform is the essential hallmark for judging good situations from bad situations. The key to accelerating economic development lies in establishing an effective economic management system and a fine economic operation mechanism. Therefore, it is necessary to focus attention on deepening reform and establishing a socialist market economic system and operational mechanism. This is complicated social system engineering. Our pressing task is to effect a change in the enterprise operational mechanism, nurture a market system, improve market mechanisms, change government functions, and deepen reform of the distribution system and social insurance system. As these are all urgent and arduous tasks, we should do a great deal of down-to-earth work and turn "difficulties" in reform to "hot issues" of our work. A comparison of the "development craze" in all localities shows that the reform

enthusiasm is not sufficient and needs more fuel. We should add fuel to areas that should be heated because such enthusiasm is calm and genuinely conducive to the building of socialism with Chinese characteristics.

#### Article on Inflation, Market Economy

HK2711121592 Beijing JINGJI CANKAO BAO in Chinese 17 Nov 92 p 4

[Article by Li Yining (0632 0110 1337), professor at Beijing University: "Will Market Economy Inevitably Lead to Inflation?"]

[Text] Not long ago, some comrades wrote a letter asking me: "Although the market economy has various advantages, it seems inflation will be inevitable in a market economy. People have mixed feelings now. On the one hand, they agree with the shift to the market economy; on the other hand, they were worried about inflation. What relationship is there between the market economy and inflation? Will the market economy inevitably lead to inflation? We hope that you will explain this." This question is indeed worth considering and discussing. Therefore, I would like to use this column in JINGJI CANKAO BAO to give an open reply to the comrades who have this question in their minds. If there is anything wrong, it is hoped that readers will point it out and correct it.

**First, could the traditional economic system prevent inflation? No. Under the traditional economic system, it was almost certain that inflation would exist and be more stubborn.**

People who think that "the market economy will inevitably lead to inflation" do not look back to the traditional economy with nostalgia; instead, they do not understand the relationship between the market economy and inflation. In addition, they are also unclear about the relationship between the traditional economy and inflation. So the analysis of this issue should proceed from this point.

Inflation—whether it is caused by excessive demand, by the increase in costs, or by some structural factors—can be attributed to the shortage of commodities against the oversupply of currency. Inflation also takes two forms, namely, the overt form and the covert form. The overt inflation is directly reflected by the sharp increase in prices; while in the covert inflation, there is no price increase on the surface, but people simply cannot buy the goods they need—or have to buy with ration coupons, or have to line up and wait for a long time—and there also exist black-market transactions and underground prices.

In the traditional economy, both forms of inflation may exist side by side, but inflation mainly takes the covert form—although it will sometimes also take the overt form. Because the shortage of commodities cannot be properly solved under the traditional economic system, the problem of inflation also remains unsolved for a long time. People living in the traditional economy for a long

time must have deep feelings about this. In the market economy, although inflation exists, it can only take the overt form, and the covert inflation can no longer exist.

Here, we should understand two points. First, in the traditional economy, it was hard to avoid inflation, but inflation mainly took the covert form. Therefore, many people did not feel inflation although they suffered from inflation, and even though no inflation had occurred in the traditional economy. Second, in the traditional economy, it was much more difficult to cope with the covert form of inflation. This was because the covert inflation was conditioned by the government's strict price control. However, as long as the government maintained the strict price control, producers would lack enthusiasm for increasing supply, and the shortage of commodities would not be mitigated. In order to arouse producers' enthusiasm for increasing supply, the government would have to relax control, but overt inflation would then become the main form and the government would have to choose between covert and overt inflation. This was a long-standing, knotty problem in the traditional economy.

**Second, inflation may be caused by the shortage of supply and may also be caused by out-of-control investment. As compared with the traditional economy, the market economy provides a greater possibility of solving the problems of short supply and out-of-control investment.**

It has been pointed out above that inflation may be attributed to the shortage of commodities and the excessive supply of currency. Why would commodities be in short supply? Why would currency be oversupplied? Only short supply will lead to the shortage of commodities, and out-of-control investment will inevitably cause excessive demand and oversupply of currency. Thus, the problem is shifted to the enterprises, which constitute the interest entities.

It should be noted that in the traditional economy, enterprises were just subsidiary bodies of the administrative organs. They did not operate on their own, and did not bear responsibility for their profits and losses. So they did not have initiative in their operation, and commodities were thus in short supply. On the other hand, in the traditional economy, investors did not have any self-control mechanism, and investment yielded poor returns and did not form productivity for a long time. Moreover, what were produced by the investment projects were not necessarily what were needed in society. This was a direct reason why investment-caused demand often went out of control. In the market economy, enterprises all orient their production to the market and have a high degree of initiative and enthusiasm. The problem of short supply can be mitigated. On the other hand, enterprises have self-control mechanisms, have to give consideration to the economic efficiency of their investments, and try to turn investment into productivity as soon as possible. They do not make investment blindly, and do not conduct duplicated construction. This may also reduce the phenomenon of

out-of-control investment. All this shows that the market economy has greater ability to curb inflation.

**Third, if inflation appears in the economy, the state's overall regulation may more easily produce effects in the market economy as compared with that in the traditional economy.**

A completely laissez-faire market economy does not exist in real life. In the world, all states which pursue a market economy certainly exercise macroeconomic regulation in order to prevent the appearance of too big a gap between gross demand and gross supply in society. However, effective macroeconomic regulation must be built on a reasonable microeconomic foundation. In the traditional economy, because enterprises were just subsidiary bodies of the administrative organs, macroeconomic regulation lacked a reasonable microeconomic foundation, so enterprises could not adjust their economic behavior according to changes in interest rates, taxation rates, and exchange rates. So when inflation occurred, even the state carried out macroeconomic regulation, and little result could be achieved. Things are quite different in the market economy. There, enterprises have the self-control mechanism, and macroeconomic regulation also has a reasonable microeconomic foundation. When inflation occurs, the state adopts such measures as raising the interest rates and the taxation rates, and this can prompt enterprises to adjust their investment scales, adjust the expenditure for public consumption, and adjust the amounts of bonus, thus achieving the macroeconomic target of curbing inflation.

We cannot assert that the market economy will inevitably lead to inflation, neither can we assert that no inflation will occur in the market economy. However we can say that if inflation occurs, the state's macroeconomic regulatory measures for curbing inflation can more easily achieve the expected results in the market economy, because macroeconomic regulation has had a reasonable microeconomic foundation.

**Fourth, in an uneven economy, rapid economic growth always coincides with inflation. What we should try to prevent is unexpected large-scale inflation. As long as people's actual living standards can be continuously raised, our policy should not be targeted at the "zero inflation rate against the zero growth rate."**

I know that none of our economists at home have agreed to pursue an inflation policy. Their opinion mainly holds that inflation is always a fact accompanying economic growth; if one tries to achieve a "zero inflation rate," then one would have to keep the economic growth rate at zero. "Zero growth" can never be the target. If the economic growth rate is zero, how can we catch up with the world's advanced level? How can the people's living standards be raised?

Of course, we must do our utmost to prevent unexpected large-scale inflation. But if we view from another angle, "zero inflation against zero growth" is never a good thing. In the market economy, we are completely able to

develop the economy faster. A figure of speech can be used here. The market economy is an "express highway" for a country's economic development. By building a market economy, we are building such an "express highway" leading to prosperity for China's socialist economic development. With the economy becoming developed, the people's actual income will also increase and their living standards will rise. As long as the increase rate of the nominal income is greater than the inflation rate, then we need not be worried about the minor inflation.

This concerns the relationship between efficiency and fairness. A major principle in the market economy is to attach importance to efficiency and economic results, and to base people's income on their efficiency and economic results. Fairness can be effected on the basis of efficiency enhancement, and fairness can in turn arouse people's work enthusiasm and promote the further enhancement of efficiency. The enhancement of efficiency and the improvement of economic results can also be favorable to curbing inflation and realizing fairness, and can help maintain social stability even in an environment of inflation. Therefore, in the course of building the market economy in the future, apart from studying how to prevent unexpected large-scale inflation, we should pay more attention to studying how to promote the coordination between efficiency and fairness in order to ensure that the broad masses of people can increase their actual income on the basis of raising efficiency without fear of inflation. This would also stabilize the public feelings on the basis of effecting fairness without being affected by inflation. If efficiency and fairness can be properly coordinated, the "express highway" leading to prosperity will certainly be smooth and unimpeded.

**Fifth, in the course of changing from the traditional economy to the market economy, if no effort is made to transform the enterprise operation mechanism and if we only try to seek a higher growth rate, then inflation may be brought about. However, in such circumstances, inflation should not be attributed to the market-oriented reform, and can only be attributed to insufficient and nonthorough reform.**

Establishing the socialist market economy is the objective of the economic structural reform, but at present we are still situated in the stage of transition from the traditional economy to the market economy. At the present stage, if we only pursue a high growth rate with the enterprise operation mechanism being left unchanged as it was in the past, thus leading to poor investment results, large quantities of duplicated construction, production of unmarketable goods, and enterprises' inability to bear responsibility for profits and losses, then it will be hard to prevent out-of-control investment and inflation. If inflation occurs in such circumstances, then what is the reason? Obviously, the problem cannot be attributed to the market economy, because the market economy has not been established; neither can it be attributed to the economic reform that is changing the traditional economy into the market

economy, because the central link of the economic reform is to actually transform the enterprise operation mechanism. As long as the enterprise operation mechanism has not been changed, the decisive battle of the economic reform has not begun. How can one think that inflation is caused by the market economy? Therefore, if inflation occurs in such circumstances, it is just caused by the insufficiency and lack of thoroughness of the reform of the traditional economy. That is to say, it should be mainly attributed to the traditional economy and the unchanged enterprise operation mechanism.

Here, the conclusion we should draw is clear: To establish the socialist market economy, we must focus reform on deepening the enterprise reform and must turn the enterprises into independent commodity producers that operate on their own and bear sole responsibility for their own profits and losses while being separated from the government institutions. If we deviate from such a main line of reform, we will not be able to complete the transition to the market economy, nor to prevent inflation.

#### Factors Accounting for Recent Price Rises Viewed HK0112132592 Beijing JINGJI CANKAO BAO in Chinese 17 Nov 92 p 4

[Article by Lu Wen (7216 2429): "Cost of Living Index Is Higher Than the Retail Price Index of Commodities—Price Trend as Predicted by Quantitative Economics and Techno-Economic Research Institute"]

[Text] "The growth rate of the price index this year and next year will continue to rise," according to a report called the "Analysis and Prediction of the Economic Situation in 1992-93," which was submitted by the Chinese Academy of Social Sciences Quantitative Economics and Techno-Economic Research Institute to the "1992 Autumn Symposium on the Analysis and Prediction of the Economic Situation."

The report held that the retail price index this year will go up around 5 percent, and the retail price index next year will further rise to 6.5 percent and may exceed seven percent if some price readjustments are further made; the cost of living index of urban staff and workers this year will go up around nine percent, and will reach a double-digit figure next year, with a growth rate from 11-12 percent, and the GNP implicit deflators [ping jian zhi shu 1627 8096 2172 2422] in these two years are estimated to reach 7.5 and 9 percent respectively.

The situation of price changes will hinge on the extent of realizing a cost-push effect and on changes in the relationship between market demand and supply. Due to the demand of the dual functions of strong pull and cost push, prices will increase by a big margin against the larger background of short supply. We can increase imports to curb excessive price rises, but the rate of price rise of capital goods in 1992 and 1993 is still estimated to reach nine percent. The percentage of price rise of consumer goods will largely depend on the extent of realizing a cost-push effect and the extent that the state

takes the initiative to readjust prices to reform the unreasonable price system and demand not exerting excessive pull on prices. Due to a market slump during the period of economic rectification and improvement, the idea of prices being pushed by cost could not be completely realized, there was a large increase in spot prices of means of production and wage levels kept increasing. Hence, there will be a certain degree of increase in the production cost of consumer goods, but to what extent the rise in production cost will be accepted by consumers and directly translated into a price rise is directly related to the relationship between market demand and supply. The report pointed out that since the market for consumer goods will still be a buyers' market, the process of pushing up prices through a rise in production costs, which is interrupted by a buyers' market, would not be fully reflected by prices. Some of the production cost will be borne by producers whose profits drop. It is estimated that the retail price index of consumer goods in 1992 and 1993 will increase 5 and 5.5 percent respectively and the nationwide general retail price index in 1992 will increase around five percent. Due to strengthening of the cost-push function, the rate of price increase will go up to around 6.5 percent, but will still be lower than the rate of increase in the income level of inhabitants. The growth rates of price index and of the GNP are in a ratio of 0.4:1 in 1992 and 0.5:1 in 1993 respectively, which are lower than the acceptable ratio of 0.65:1 in other countries during periods of high-speed growth. However, the trend and structure of price changes has come to a point that we must attach great importance to it and take feasible countermeasures.

What is worth noting is that under the strong push of demand, the price of means of production, as stated by the report, has come to a point where it is determined by poor conditions of production. Regarding construction materials, in particular, domestic market prices of certain varieties are even higher than those in the international market. A majority of enterprises, especially state-run enterprises, are yet to have various means, such as working through technical progress, improving the standard of management, and realizing an economy of scale, to fully digest the cost-push capacity and mechanism. The translation of rising production costs into price rise will sooner or later be revealed. In case the market turns brisk, a big increase of prices of consumer goods will be inevitable. Another important trend is that the cost of living price index of urban inhabitants is much higher than the retail price index. From January to August 1992, the growth rate of the cost of living price index of urban inhabitants in 35 large and medium cities reached 10.2 percent, more than double of the growth rate of national retail price index. Among them, prices of services grew even faster, which have already caused certain effects on improvement of the living standard of inhabitants.

#### Economic Coordination Zone Makes Progress

HK2811072992 Beijing RENMIN RIBAO in Chinese  
13 Nov 92 p 1

[Dispatch by reporter Liang Zhaoming (2733 0340 2494): "China's Southcentral Region Ushers in a Golden Age of Regional Economic and Technological Coordination"]

[Text] Guangzhou, 12 Nov (RENMIN RIBAO)—The central-southern economic and technological coordination zone is ushering in a golden age of regional economic and technological coordination. In the last two years, all sides of the region have reached agreements on, and carried out, 2,956 projects relating to bilateral or multilateral economic and technological coordination, with agreed-on investment reaching 4.97 billion yuan. In the coordination zone, 3,140 projects have been carried out and gone into operation, with actual use of funds standing at 4.52 billion yuan, increased productive capacity at 5.13 billion yuan, and increased profits and taxes at 960 million yuan.

The central-southern economic and technological coordination zone is composed of the provinces of Guangdong, Hunan, Hubei, Henan, and Hainan; the autonomous region of Guangxi; and the three cities of Guangzhou, Shenzhen, and Wuhan. As disclosed by the 7th joint meeting attended by the nine sides recently held in Guangzhou, in the two years following the 6th joint meeting, various cities in the coordination zone have launched a great number of joint projects concerning industry, agriculture, resources, and materials. They especially made new achievements in jointly developing the export-led economy, strengthening cooperation between different trades and in the fields of science and technology, promoting coordination and flow of commodities, strengthening coordination between neighboring areas, and organizing economic activities in small areas.

—Key projects in the coordination zone are proceeding satisfactorily. The aluminum production base which Guangxi, Guangdong, and Guangzhou planned to build in Pingguo, Guangxi, involving a investment of 2.7 billion yuan, has begun construction; the Tianshengqiao hydroelectric power station jointly planned by Guangdong, the State Energy Investment Company, Guangxi, and Guizhou, representing an investment of 2.95 billion yuan, is now under construction—the first phase of the grade two power station with installed capacity amounting to 440,000 kw will be completed soon, and the grade one power station with an installed capacity amounting to 1.2 million kw has also begun construction. The related 1,000 km transmission line with an extra high voltage of 500,000 volts will be completed this year.

—The coordination zone has made vigorous efforts to develop an export-led economy. Taking advantage of their strong points, various cities in the coordination zone have set up 290 enterprises "funded by China, or by foreign businessmen, or cofunded by China and foreign businessmen" in coastal areas or special economic zones in Guangdong, with a contracted investment of \$200 million and foreign funds introduced amounting to about \$100 million. The joint foreign trade companies brought in \$600 million.

—There are animated activities promoting inter-regional and intertrade coordination between coordinating small areas. The coordination zone embracing 31 counties in the border areas of Hubei, Henan, Sichuan, and Guizhou, the Wuhan-Xiaogan-Xinyang coordination zone, the Dabieshan economic coordination zone, the southeast Hubei coordination zone, and other small coordination zones have engaged in frequent economic and technological coordination. The total turnover made by coordination and interflow of commodities between different sides of the central-southern coordination zone over the last two years exceeded 2.8 billion yuan.

A few days ago, different sides of the central-southern coordination zone sent representatives to Guangzhou to discuss ways to implement the spirit of the party's 14th national congress, to promote development of the socialist market economy, and elevate their economic and technological coordination to a new stage. A total of 98 representatives attending the meeting proposed to jointly build expressways and railroads, set up civil airline companies, expand financial markets, build a chain stock exchange, nurture regional markets, and make concerted efforts to enter the international market. They decided to enlist the support of the State Council and other state departments concerned in carrying out their plans.

**Hebei Strikes 'Relentless Blows' at Tax Evaders**  
HK2511015392 Beijing RENMIN RIBAO in Chinese 8 Nov 92 p 2

[By reporter Li Jianxing (2621 1696 5281): "Hebei Province Strikes Relentless Blows at the Unhealthy Trend of Refusing To Pay Taxes by Using Violence"]

[Text] The Hebei Provincial Tax Bureau is making vigorous efforts to publicize the "PRC Law on Levying and Managing Taxes," and is striking relentless blows at the unhealthy trend of refusing to pay taxes by using violence. The authorities concerned took a firm grip on typical cases of refusing to pay taxes by employing violence, dealt harsh and quick blows to offenders involved according to law, and openly prosecuted them. This served to initially set up a good taxation order.

Zhang Xianpu, head of the Hebei Provincial Tax Bureau, told this reporter that cases of evading taxes and refusing to pay taxes tackled by tax offices throughout the province every year involved 200 million yuan, and there were nearly 100 cases of refusing to pay taxes by employing violence every year. From January to October of this year, there were 65 cases of refusing to pay taxes using violence across the province. From 9 April to 31 May in Chengan Town, Xinle County, tax collectors were, on three occasions, abused and beaten up while performing official duties and their offices were broken into, leaving six tax collectors injured.

In the face of successive cases of refusing to pay taxes using violence, the provincial tax bureau, public security

organs, procuratorial organs, and courts made concerted efforts to investigate and act on every case at once and tolerated no crimes.

Di Junying, head of the section for levying and managing taxes said to this reporter: The provincial tax bureau and procuratorate have jointly set up 180 taxation examination offices, manned by 654 cadres. This special contingent is quick in collecting information, in organizing strength, in arriving at the scene of a crime, and in conducting investigations to collect evidence, thus gaining the initiative. In Ci County, when a tax collector tried to collect taxes from a self-employed business operator called Tan at a market, Tan refused and beat the tax collector with an electric police club after pushing him, causing injury. This incident created a bad impression. The Handan Taxation Procuratorial Office, supported by the county party committee and government, tackled the case immediately and heard the case at a rally attended by 10,000 people. Tan was sentenced to one year's imprisonment.

**State Council Approves Ningbo Free Trade Zone**  
OW281111192 Beijing XINHUA in English 0648  
GMT 28 Nov 92

[Text] Ningbo, November 28 (XINHUA)—The State Council, China's top governing body, has approved the founding of the Ningbo Free Trade Zone in east China's Zhejiang Province.

The zone, located to the south of Beilun Port, covers an area 2.3 square kilometers. The first phase of construction will be 1.2 square kilometers.

Facilities for trade, commerce, finance, administration, industry and storage will be built in the area.

The State Council demanded the zone to bring the advantages of Beilun port into full play by developing entrepot trade, transit trade, carrying out services of processing, package, storing and transport, as well as commodity shows, and expanding foreign trade. Beilun is one of the country's well-known ports for its deep-water berths.

Now the zone has 18 firms engaging in export-oriented processing and foreign trade.

**Courses Offered To Meet Needs of Market Economy**

OW2811115192 Beijing XINHUA in English 0825  
GMT 28 Nov 92

[Text] Beijing, November 28 (XINHUA)—China's universities and colleges are reorienting their training goals and curricula to the needs of the development of a market economy in the country.

The central targets are the courses in finance and economics.

"Many economic practices such as stock-brokerage and real estate management have already been introduced into the country," said Zha Weiping, a section chief of the Social Sciences Department of the State Education Commission (SEC), "but neither of them is taught in universities and colleges."

Managers of enterprises and companies also complain that college graduates who have majored in economics have less knowledge of management than is expected of them.

The SEC has realized the problem and decided to accelerate educational reform in the field.

Beijing University has decided to set up a college of business and trade management and to offer some new courses such as real estate management, economic law and intellectual property rights.

Tan Jianye, vice president of the University of International Business and Economics, said that his school has

decided not to fix majors for students in their first two years, in order to allow them to strengthen their basic knowledge.

According to a recent report in the GUANGMING DAILY, a lot of schools in Shanghai have started to offer new elective courses, for example in finance, stocks and investment, to keep abreast with the development of the market economy.

For many years, university students have complained that they have to take too many political lessons, which in their opinion are "a waste of time." That, many experts say, should be changed.

Many college teachers have asked the SEC to reduce the number of courses on politics and give students more time to enable them to cope with the newly redefined economy.

The teachers also urge that traditional research on Marxism be converted to problem-solving in the development of a market economy.

## East Region

### Anhui Party Committee Plenary Session Ends

OW0112110792 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 29 Nov 92

[From the "Provincial Hookup" program]

[Excerpts] The eighth five-day enlarged plenary session of the fifth provincial party committee came to a successful close in Hefei yesterday.

The session pointed out: Now that the theories, lines, principles, policies, objectives, and tasks are clearly defined, we must do solid work and translate the 14th party congress guidelines into conscientious action of the people across the province to accelerate the pace of reform, opening up, and modernization in the province.

The session met yesterday. Lu Rongjing, Fu Xishou, Meng Fulin, Yang Yongliang, (Wang Taihua), Liu Guangcai, Shao Ming, Chen Guanglin, Fang Zhaoxiang, Shen Shanwen, Wang Guangyu, Shi Junjie, and Hou Yong were present and seated on the rostrum. Meng Fulin and Yang Yongliang chaired the meeting successively. [passage omitted]

After earnestly discussing the speeches by Lu Rongjing and Fu Xishou, attendees held: Now we should first change our mind-sets; emancipate our minds; and rid ourselves of outmoded notions affecting reform, the open policy, and economic construction. In areas where conditions permit, we should do our best to achieve a higher growth rate as long as it is conducive to developing productive forces, increasing the overall strength of our country, and improving the people's living standards.

During their discussions, they said: The basic task of party building in the new period is to arm the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We must continuously strengthen and improve party building; increase the cohesive and combat capacities of party organizations; strive to improve our governing skills and leadership; and lead people throughout the province to accelerate the pace of reform, opening up, and socialist modernization.

In his speech at the session before its conclusion, Meng Fulin said: This session has proceeded very successfully. Calling for emancipating the mind and changing the mind-set, the session has made further arrangements for reform, opening up, and economic construction. This session is unique.

In relaying and implementing the session's guidelines, Meng Fulin called on people in various parts of the province to do the following things well:

First, it is necessary to study and implement the 14th party congress guidelines as the most important task at present and for some time to come. Propaganda departments and mass media should increase publicity to

enable people to understand the spirit of the party Central Committee and the provincial party committee.

Second, we must unswervingly carry out economic construction as the central task and concentrate on economic development. We must further do a better job in reform and opening up to the outside world. We must make preparations in the last month of this year for pushing our economy toward a new stage next year.

Third, positive and proper arrangements should be made for electing leading bodies at various levels to strengthen them. And,

Fourth, we should effectively improve our work style, do practical work, go down to basic units to investigate and study conditions there, and conscientiously solve problems which are of concern to the masses and about which they have complained a lot. We should arouse the enthusiasm of people in various circles for the purpose of carrying out reform, the open policy, and economic construction.

### Commentary on Session Results

OW0112102092 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 29 Nov 92

[Station commentary from the "Provincial Hookup" program: "Emancipate the Mind, Do Practical Work"]

[Text] The eighth five-day enlarged plenary session of the fifth provincial party committee has successfully ended.

This session clearly proposed that the province's economic growth rate be higher than the country's average in the 1990's; that the average annual increase of total output value of goods and services be 10-12 percent; that in areas where conditions permit, people should do their best to achieve a higher growth rate; and that every effort be made to ensure the realization of relatively comfortable living standards by the end of this century.

This is a glorious yet arduous task. To achieve this goal, we must further emancipate our minds and change our mind-sets. It should be understood that in the final analysis, developing a socialist market economy is large-scale economic competition. In this competition, whoever can quickly change his mind-set can gain the initiative, while whoever does so slowly will lag behind.

Now the grand objective has been set, the major policies are clearly defined, and the strategic measures have been laid down. What is crucial now is that we implement these policies and measures and do practical work. It is essential to carry out plans and measures. In light of the 14th party congress guidelines and those of the eighth enlarged plenary session of the fifth provincial party committee, all localities, departments, and units should set their own objectives and measures according to local

conditions. At the same time, they should further mobilize the masses and lead them in doing solid work. What they regard as being correct should be attempted until actual results are achieved.

We should delve into reality. Leading cadres at various levels should go to the front line to investigate and study conditions there in order to grasp first-hand materials. They should dare to touch on contradictions and problems arising in the course of replacing the old structure with the new, and they should strive to explore new ways and concepts for resolving such contradictions and problems. They should increase specific guidance for basic units.

Inspection and supervision should be strengthened. Once a task is set, it must be resolutely carried out. A responsibility system should be instituted at each level. [words indistinct] Cadres should be sent to lower levels to conduct inspections to ensure that the tasks set by the 14th party congress and the eighth enlarged plenary session of the fifth provincial party will be carried out.

#### 'Success' in Jiangsu Public Ownership Noted

OW3011060292 Beijing XINHUA in English 0314  
GMT 30 Nov 92

[Text] Nanjing, November 30 (XINHUA)—Many advocates of the market economy have been surprised at the success of collective and state-owned enterprises in Suzhou-Wuxi-Changzhou area in east China's Jiangsu Province.

They have met the challenge of the market economy contrary to the predictions of many who say the secret for successful development lies in private ownership.

Statistics show that last year the 12 counties and county-level cities under the jurisdiction of the three cities of Suzhou, Wuxi and Changzhou achieved a total industrial output value of 158.1 billion yuan, 91 percent of which was produced by collective and state-owned enterprises.

After visiting the area last summer, several correspondents from Taiwan reported that although the township-run enterprises in the area are in public ownership, they are responsible for their own losses and profits and are operated flexibly, similar to medium-sized and small enterprises in Taiwan.

The town of Luzhi in Wuxian County of Suzhou has used market economy rules in running enterprises in the past few years. As a result, it has managed to double production output value every year. The town now has 120 enterprises with 12,000 workers and staff members. Industrial output value reached 330 million yuan last year and is expected to surpass 700 million yuan this year.

Xu Lingen, head of the town, explained that the enterprises remain collectively owned, but the directors and

managers have full power and are allowed to adopt all domestic and foreign forms of management beneficial to production.

Yu Qian, a veteran economist, pointed out that the key to making public enterprises adapt to the market economy lies in the separation of management from state ownership. This allows an enterprise to be an independent commodity producer and seller.

Yu noted that such publicly owned enterprises have vitality and drive. They have over 100 million workers and staff and form a strong industrial network across the country. Their annual output value has surpassed 1,000 billion yuan.

Because of their high work efficiency and flexible management, such enterprises have become the favored partners of overseas investors, allowing them to enter the international market.

So far the Suzhou-Wuxi-Changzhou area has attracted 3,574 Sino-foreign joint ventures involving 2.74 billion U.S. dollars of foreign investment. It is noticeable that about 70 percent of the Chinese partners of the joint ventures are township enterprises. They provide 70 percent of the 29 billion yuan's worth of commodities for export. Township enterprises in the area have also set up over 50 enterprises in 30 countries and regions.

State-owned enterprises, another type of public ownership, can work even better than township enterprises in the market economy if they are freed from the shackles of the planned economy, according to economists.

The state-owned Wuxi washing machine plant, which produces "Small Swan" brand computer-controlled washing machines, introduced Japanese and American management methods which made it enter the market at an early stage. As a result, the plant's production output increased three-fold and profits soared 23 times in nearly three years. The plant is now one of China's best and its products have reached world standard in quality and sell well internationally.

Jiang Liu, a noted sociologist and vice-president of the Chinese Academy of Social Sciences, said that public ownership, which is the basis of socialism, is facing the test of the market economy and will develop in various forms in the market economy.

Currently many state-owned and township enterprises are probing new types of transformed public ownership, including the contracted responsibility system, introduction of the operational mechanism of foreign-funded enterprises, establishment of publicly-owned joint stock enterprises and issuing shares for enterprise workers and staff.

Those enterprises with dominant public ownership combining other elements of economy are the favorite. They are considered a good way for publicly owned enterprises—especially those of the state—to enter the market economy. Some of such enterprises including the Suzhou

materials enterprise group, the Changzhou Gold Lion bicycle group and the Kunshan textiles group have become famous enterprise groups in the markets both at home and abroad.

**Jiangxi Secretary on People's Armed Police Force**  
*HK0112011592 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 23 Nov 92*

[Text] A provincial forum was held 21-23 November in Nanchang on the construction of leadership bodies of the People's Armed Police Force units at the county, city, and prefectural levels. The meeting called on party committees and governments at all levels across the province to attach importance to building the national defense reserves, giving play to the fine tradition of armed forces being under party leadership, and working at building powerful militias and reserves.

Zhang Chuantong, a bureau chief of the PLA General Political Department Mass Work Department, and Sui Shengwua, Nanjing Military Region Political Department deputy director, attended the meeting on behalf of the PLA General Political Department and the military regional organs [words indistinct]. Provincial party and government leaders Mao Zhiyong, Wu Guanzheng, Liu Fangren, Zhu Zhihong, Lu Xiuzhen, Zhang Chuanshi, Shu Shengyou, Zhang Yujiang, Feng Jinmao, Lou Zhongnan, Liu Chuanyuan, Zhong Qing, and Fan Jun attended the meeting.

Leaders of the provincial military district garrison command, which is under the Nanjing Military Region, those of prefectural and city party committees and military subdistricts, and some of the leaders of the People's Armed Police Force units attended the meeting.

At the meeting, Zhang Yujiang spoke on relying on the existing system, upholding dual-leadership, and continually strengthening the vitality of the People's Armed Police Force leadership bodies under the new situation. He said: After the structural change, the People's Armed Police Force leadership bodies have been able to maintain the good momentum of sustained development. First, the fine tradition of party control over armed forces has received a further boost. Second, the force has made many good attempts at the adjustment and exchanges of leadership bodies. Third, the overall quality of leadership bodies has been raised.

Mao Zhiyong spoke at the meeting's conclusion. He first affirmed the provincial military district's tremendous achievements in work on economic development and the construction of militias, and expounded on the importance of strengthening the construction of the People's Armed Police Force units under the new situation. Mao Zhiyong stressed: Upholding dual-leadership is the fundamental guarantee for strengthening the construction of People's Armed Police Force units. The pursuit of placing armed forces under party controls and upholding dual-leadership are the fundamental devices for the construction of militias, which we must uphold.

On important issues concerning principle, the leading comrades of local party committees and governments at all levels must be very clear in ideology and resolute in action.

Mao Zhiyong pointed out: The key to strengthening the People's Armed Police Force leading bodies lies in grasping well the building of the People's Armed Police Force leadership, and grasping the building of leadership requires that we first strengthen organizational building and solve problems related to cadres' appointment and removal. Only when appointment and removal channels are kept unblocked can People's Armed Police Force leadership bodies be dynamic, and work in this area should be pursued with zeal.

**Shandong City Improves Tertiary Industry Growth**  
*SK2811061592 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 27 Nov 92*

[Text] Yantai development zone has noticeably accelerated its pace in building facilities for the tertiary industry. The construction of the international commercial area with a total investment exceeding 500 million yuan was recently initiated in the development zone.

The international commercial area is located in the southern side of Changjiang Road, the artery road of the Yantai development zone, covering an area of 8.5 hectares. It has a total construction area of more than 180,000 square meters. It is a large-scale comprehensive and multifunctional commercial area embracing international commercial and trade units, hotels, recreation areas, shopping centers, sales exhibition areas, banking units and a stock exchange.

**Shanghai Enterprises Enjoy Greater Autonomy**  
*HK2911042592 Beijing ZHONGGUO XINWEN SHE in English 0657 GMT 28 Nov 92*

[Text] Shanghai, November 28 (CNS)—Enterprises operating within Shanghai's industrial system entitled to handle import and export have risen to 1,000. They are all in the front line specializing in export business and are directly responsible for their own risks in the international market while at the same time realizing unification of production and circulation of their products.

Shanghai's textile industry earning annual foreign exchange of over U.S.\$1 billion is the main business bringing in foreign exchange and it is also the industry running on a trial basis in the restructuring of the foreign trade system carried out by Shanghai and the State Council. The industry earned foreign exchange of U.S.\$358 million with the handling of exports its own responsibility in the first nine months of this year, 52 percent up from the same period last year.

Such a policy also applies to other main businesses including mechanical and electrical industry, light industry, secondary light industry and instrument business, promoting a better performance in these sectors.

The 1,097 three type foreign-funded industrial enterprises here have their own channels for import and export, helping form favourable conditions for exporting through practices of self-management, purchasing and acting as agent. Shanghai earned foreign exchange of U.S.\$5.2 billion through exports last year and U.S.\$6.7 billion is expected for this year.

### Zhejiang Commentary on Socialist Market Economy

OW2811020792 Hangzhou ZHEJIANG RIBAO in Chinese 14 Nov 92 p 1

[Article by ZHEJIANG RIBAO commentator: "Unswervingly Promote the Establishment of Socialist Market Economic Structure—Fifth Talk on Implementation of the 14th CPC National Congress Guidelines"]

[Text] The 14th Party Congress specifically forwarded the goal of establishing a socialist market economic structure. This constitutes a new leap forward in our understanding of the theory and practice for consolidating and developing socialism, which is a major priority on our agenda. It is also our party's new contribution to Marxism. It is a matter of great significance in accelerating reform, opening up, and economic development.

The goal of establishing a socialist market economic structure is a scientific summing-up of the great practice of the past 14 years as well as the inevitable outcome of the development of reform and opening up. The reality is that historically Zhejiang began to develop a commodity economy earlier than other areas, and thus the people have a stronger sense of a commodity economy. During the 14 years of reform and opening up, Zhejiang has had an early start in market-oriented reform; it has relied more heavily on market forces. Its enterprises also had a more flexible mechanism operating under an ownership structure which embraced diverse economic sectors. It also had an early start in cultivating market forces, resulting in a stronger innate vitality for economic growth. Mandatory planning has been reduced to 4 percent of the province's current gross domestic product, and the means of production distributed according to plans has dropped to 5 percent of total social consumption. In areas represented by Yiwu, Wenzhou, and Shaoxing, the lifting of price controls and cultivation of market forces have created several thousand "large small-commodity markets" with annual transactions totaling 20 billion yuan. The lifting of controls in the management of grain and other farm or sideline products has further pushed peasants and rural areas into the market, and has further enlivened the urban and rural economy. We can put it this way: Market-oriented reform is the most important factor contributing to Zhejiang's steady economic growth and to its tremendous achievements over the last 14 years. Practice has proved that whoever has a headstart will benefit the most and develop ahead of others, provided the law of a commodity economy and law of value are followed.

The new socialist market economic structure not only demands that we establish a large unified market but also that we establish an economic operating mechanism and management approach compatible with international practice. This is a profound change from the kind of structure we had in the past under a closed, divided, and monopolized product economy. At the same time, it will also bring about a series of changes in people's thinking, behavior, and way of life. This is a brand-new task. Many comrades still lack a complete and profound understanding of the socialist market economic structure, and certain comrades still have worries and suspicion of one kind or another. They have not been turned around in their minds. In practice, the establishment of a socialist market economic structure must go through a process. We must realize that the enterprises' operating mechanism has just begun to change, and has not become the dominant element in the market. We must realize that the new price structure, competition mechanism, and income distribution mechanism have not yet been established and made perfect; the social security structure and market structure as well as rules and regulations have yet to be completed; the macromanagement system based on indirect regulation and control has yet to be formed; and the change of government functions is slow, and government interference in enterprises is still too much. It will be a huge social project to seek resolutions to these problems. We need to have the willpower and courage to accelerate reform, and at the same time we must have a full understanding of the difficulties we will encounter on the road. We must never waver in the direction of reform, even if we suffer a temporary setback. The change from a highly centralized planned economic structure to a socialist market economic structure is a significant historical event. Facing this great change, we must first further emancipate our minds and turn around our thinking. We need to abandon the "left" and stale ideology from top to bottom and free ourselves from ideological barriers such as playing safe for fear of chaos, sticking to conventions, and being satisfied with small achievements. We must follow the rule of "conducive to three causes," proceed from reality in all cases, boldly practice and explore, and fully respect the creativity of the masses. We must continue summing up our experiences and unswervingly promote the establishment of a socialist market economic structure in a down-to-earth manner.

To establish a socialist market economic structure, we first need to grasp the key link of changing the operating mechanism of state-owned enterprises. We need to vigorously reform the property right system of enterprises, further improve the contract management system, actively implement the share holding system, and develop enterprise groups. We can change, transform, lease, or sell some state-owned small enterprises. In a word, we must optimize the structure of the national economy. At the same time, we need to enhance the quality of urban and rural collective enterprises, especially the quality of village and town enterprises, to make enterprises the dominant players in the market.

To establish a socialist market economic system, we must correctly handle the relationships between the interests of the state, the collectives, and the individuals; must gradually establish and improve a distribution mechanism which meets the requirements of a market economy and is in accord with the socialist principle of distribution according to work; and must establish and perfect a social security system dealing with unemployment, care for the elderly, and health services.

To establish a socialist market economic system, we must make full use of Zhejiang's regional advantages and work hard to cultivate the "big market" structure. We must particularly attach importance to developing markets and intermediaries of essential elements such as the means of production, information, technology, human resources, and capital. We must create conditions to accelerate the market's "hardware" construction while doing an effective job on the market's "software" construction, such as its regulations and laws. We need to apply advanced scientific technology and management to market construction, raise the level of market development, and accelerate its linkage with the international market.

To establish a socialist market economic system, we must put the separation of government and enterprises into effect and must thoroughly change the functions of the government. We must follow the principles of simplicity, unity, and efficiency to speed up the reform of the present administrative system and government organizations. Managing and operating functions for state-owned assets must be separated. The government must reduce its direct interference in enterprises and must focus on planning, coordination, service, macro-regulation, and control through budgetary, taxation, credit, and industrial policies.

Zhejiang has its own distinctive features and favorable conditions in the developing economy. We have accumulated experience and created conditions of reform and opening up during the past 14 years. It is entirely possible for Zhejiang to establish the socialist market economic operating mechanism at an early date. We must have confidence and determination in this, and we must have a sense of historical responsibility and urgency to unswervingly push this reform forward.

#### **Zhejiang Congress Standing Committee Session Ends**

*OW2811123592 Hangzhou ZHEJIANG RIBAO in Chinese 16 Nov 92 p 1*

[*"Dispatch" by reporter Ling Zaiming (0407 0375 2494): "First Session of Eighth Provincial People's Congress Scheduled for 1 January 1993"*]

[Text] The 31st session of the Seventh Zhejiang Provincial People's Congress Standing Committee closed in Hangzhou yesterday. The session decided that the first session of the Eighth Zhejiang Provincial People's Congress will open in Hangzhou on 1 January 1993.

During the recent meeting, the committee members and nonvoting delegates present first concentrated on studying the documents of the 14th CPC National Congress. They said: The 14th party national congress was an important meeting of historic significance which will carry forward the cause and forged ahead into the future. Comrade Jiang Zemin's report systematically and thoroughly summed up the basic practices and experiences of the last 14 years since the Third Plenary Session of the 11th CPC Central Committee. It brilliantly expounded the theory of building socialism with Chinese characteristics and clearly and definitely put forward the major tasks of reform and construction for the 1990's. It was a programmatic document guiding the whole party and people across the country in marching toward victory. In the course of study, they held lively discussions in light of reality. They have further enhanced their understanding and confidence. The committee members said: One of the major contributions of the 14th party national congress was that it summed up Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics in a more comprehensive, systematic, and thorough-going way and proposed the establishment and perfection of a socialist market economy. The theory will guide our party leadership over the people in triumphantly carrying out the second revolution and achieving the second historic leap. The conferees recalled the goings on since the founding of the People's Republic and discussed the importance of adhering to the party's basic line. The committee members said: The report of the 14th party national congress repeatedly emphasized perseverance in the party's basic line for 100 years. Such an understanding has not come easily. It is the result of summing up the experience and lessons of the last several decades in socialist construction. It is a fundamental guarantee for long-term peace and stability in our country. If we follow this line, our country will certainly become prosperous. The committee members pointed out the necessity of "further improving the system of people's congresses; strengthening the functions of the congresses and their standing committees in legislating, exercising supervision, and so on; and expanding the role of people's deputies," as suggested in the report of the 14th party national congress. They called for doing good people's congress work, making major progress in socialist democracy and the legal system, and promoting the development of a socialist market economy.

The session adopted "Regulations of Zhejiang Province Concerning Investigation and Punishment on Producing and Selling Fake and Inferior Commodities," a decision on approving the "Provisions for Ningbo on Urban Environment and Sanitation Management," a decision on revising Article 3 of "Organic Regulations of Township and Town People's Congress Presidiums of Zhejiang Province," and a report on the handling of proposals made by deputies to the fifth session of the seventh provincial people's congress. The committee members deliberated a report on Zhejiang's scientific and technological work and discussed the "(draft) work report of the provincial people's congress standing committee."

Vice Chairman Wu Minda presided over yesterday's meeting. Chairman Chen Anyu, Vice Chairmen Wu Zhichuan, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin, and Yang Bin were present. Chai Songyue, Yuan Fanglie, and Hu Canshi were present as nonvoting delegates.

### Central-South Region

#### Guangdong Governor Addresses Environment Meeting

HK0112060592 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 28 Nov 92*

[Text] The sixth provincial environmental protection meeting ended yesterday, and Zhu Senlin, provincial governor, made an important speech at the meeting. He pointed out that environmental protection work is facing two new conditions or features. First, the high tide of construction has brought new pressure on environmental protection work, and second, the development of market has brought new restraint to environmental protection. We must develop the economy rapidly on the one hand, and protect the environment on the other.

Zhu Senlin demanded that the party committees and governments of various levels in the province put environmental protection work on their agendas, continue to improve and strengthen the environmental protection system, establish a team for supervising the environment and enforcing environmental laws, further strengthen environmental management, and raise our province's environmental protection work to a new level.

### Southwest Region

#### Chen Kuiyuan Appointed Tibet Party Secretary

OW0112083692 *Beijing XINHUA Domestic Service in Chinese 0728 GMT 1 Dec 92*

[Text] Beijing, 1 Dec (XINHUA)—The CPC Central Committee recently decided to appoint Comrade Chen Kuiyuan secretary of the Tibet Autonomous Regional CPC Committee, and that Comrade Hu Jintao will no longer serve as secretary, standing committee member, and member of the Tibet Autonomous Regional Party Committee.

#### Figures Given on Tibet's 1992 Grain Output

OW3011131192 *Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 27 Nov 92*

[From the "News and Information" program]

[Text] According to a new briefing given by the regional agriculture bureau on the morning of 26 November, the region's total grain output has reached 590 million kg this year.

At the briefing, Heng Guang, director of the regional agriculture bureau, made a report on 10 model counties in applying science and technology, 27 counties in disseminating scientific and technological knowledge, and their achievements, as well as the next year's tasks in agricultural production.

This year the region was hit by a number of natural disasters, such as drought, a plague of insects, flooding, and hailstorms, which were similar to those it suffered in 1986; however, many prefectures, cities, and counties set a record in agricultural output value. The region's total grain output reached 590 million kg. This fully shows that our region can steadily develop agriculture by relying on science and technology.

On how to continue the good work in agricultural production next year, he called for paying close attention to science and technology, management, investment, high yields, quality, efficiency, the circulation of products, and service.

Gong Daxi, vice chairman of the autonomous region, said at the briefing: The region has achieved good results in agricultural production this year because the construction of water conservancy projects has been stepped up since 1987, agricultural development through the application of science and technology has been promoted, and leaders at various levels have attached great importance to agriculture.

Gong Daxi then said: Thus, we can see the prospects for agricultural development in our region from the achievements we have scored this year.

### North Region

#### Inner Mongolia Biggest Chemical Industry Base

OW0112061392 *Beijing XINHUA in English 0122 GMT 1 Dec 92*

[Text] Hohhot, December 1 (XINHUA)—The Inner Mongolia Autonomous Region will become China's largest chemical industrial base by the end of this century, according to Gu Xiulian, minister of chemical industry.

During her inspection to the region, Gu said the base will require a total investment of 20 billion yuan in construction.

The blueprint for the chemical industry development in Inner Mongolia in this decade includes the factories producing urea, caustic soda, soda ash, methyl alcohol and acetic acid.

It is estimated that by the end of this century the output value and interest of the chemical industry in Inner Mongolia will be up 6.3 times and four times respectively over those in 1991.

The government of Inner Mongolia is looking for partners to develop the chemical industry.

## Northeast Region

### Sun Weiben Views Market Economy With Cadres

SK0112021892 Harbin HEILONGJIANG RIBAO in Chinese 20 Nov 92 p 1

[By Zhu Rongjiu (2612 2837 0036) and Zhang Zhiqing (1728 1807 3237): "Accelerate the Development of Our Province's Market Economy"]

[Text] Recently, leaders of the provincial party committee, including Sun Weiben, Ma Guoliang, and Meng Qingxiang held a forum at the training class of the provincial party committee party school for cadres at the department and bureau level and held discussions on the topic of how to implement the guidelines of the 14th CPC Congress, to meet the demands of the socialist market economic system, and to accelerate the development of our province's economy. From different angles, the students talked freely and offered many very good ideas in the light of their experience in studying the 14th CPC Congress guidelines and in line with the actual situation of their own units. At the forum, Sun Weiben made an impromptu speech on the issue of establishing the socialist market economic system.

He said: To establish the socialist market economic system, the most urgent task of the moment is to change the operational mechanism of enterprises with an emphasis in large and medium state enterprises. In addition, it is also necessary to pay attention to solving the issues of changing government functions, establishing and improving the socialist labor security system, and cultivating and developing the market system. Therefore, the current major work is: First, we should renew concepts and change ideas because this is the precondition of the market economy. Leaders at all levels in particular should take the lead in this regard. Second, we should expand the degree of changing government functions and steadfastly streamline organs. In general, we should reform government organs in line with the principle of "small organs but great service." Currently, the most important is to proceed the work from two aspects: First, we should delegate the operational power to enterprises and enable them to become enterprises running independently, assuming sole responsibility for one own profits and losses, setting self-restrictions and achieving self-development and enjoying the personnel labor power, the wage and bonus distribution power, the power to fix product prices, the investment decision-making power, and the import and export operational power. Departments dealing with comprehensive work and economic competent departments should make comparisons to see which powers they should delegate to enterprises are still in their hands, and delegate them all to the lower levels as quickly as possible. Second, we should delegate the power of fixing prices to the market. While changing the government functions, first of all, we should grasp these two aspects in the first place because these also are the basic preconditions for streamlining organs. Third, we

should build a microeconomic basis for the market economy. Fourth, we should establish and cultivate a market system. We must have a set of market laws and regulations on competition on an equal basis and on establishing open and free markets, link the domestic markets with the international markets, and enable enterprises to enter the market independently.

### Heilongjiang Grain Output Hits 'Record' High

OW0112061492 Beijing XINHUA in English 0237 GMT 1 Dec 92

[Text] Harbin, December 1 (XINHUA)—Northeast China's Heilongjiang Province, a major soybean export base and grain production base, has produced this year 23.66 million tons of grain, a new record and 9.3 percent more than last year.

Experts attribute the success to better natural conditions this year, expansion of the grain-sown area, popularizing of high-yield strains and more investment in farming technology and fertilizer.

Some 6.9 percent more land was used to grow grain this year compared with last year, and the use of high-yield paddy rice and corn helped to increase the per unit output of these crops by 2.5 percent.

### Liaoning City Confiscates 28 Illegal Guns

Sep-Nov  
SK0112024292 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 30 Nov 92

[Text] From 20 September to 20 November, the (Xingfu) subbureau of the Fushun city public security bureau waged a special struggle for dealing blows to underworld society forces and thefts and confiscating guns and made noticeable achievements in the struggle. Three hundred and fourteen criminal cases were cracked, seven burglary gangs were smashed, 28 powder guns [as heard] were confiscated, 78 criminals were arrested, and more than 200,000 yuan worth of stolen goods and money were confiscated.

## Northwest Region

### Qinghai Secretary Addresses CPC Session

HK3011121292 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 24 Nov 92

[Excerpts] The 11th Plenary Session of the Seventh Qinghai Provincial CPC Committee opened in Qinghai yesterday. This plenary session is an important meeting following the successful closing of the 14th CPC National Congress. The session's main tasks are to further study documents of the 14th CPC National Congress, sum up this year's work, make arrangements and set next year's tasks, and study and formulate methods and measures for speeding up reform, opening

up and modernization of the whole province. The session will also approve the decision on convening the Eighth Qinghai Provincial CPC National Congress. Yin Kesheng, Tian Chengping, Jin Jipeng, Sang Jiejia, Tang Zhengren, Cai Zhulin, Doba, Ji Zhanbin, and members and alternate members of the provincial CPC Committee attended the session. [passage omitted]

Provincial party Deputy Secretary Tian Chengping presided over the session's first full meeting. On behalf of the provincial CPC Committee Standing Committee, provincial CPC Secretary Yin Kesheng made a speech entitled: "Conscientiously Study and Implement the Spirit of the 14th CPC National Congress, and Further Speed Up the Pace of Reform, Opening Up and Modernization."

In his speech, Yin Kesheng said: Since this year, cadres at all levels and the broad masses of people throughout the province have been uniting as one, struggling hard, and exploring the way forward to make progress. They have made new achievements in various work. The basic characteristics of the development of the situation in the whole province over the past year are: Cadres and masses of various nationalities have further emancipated their minds and increased their conscientiousness in implementing the party's basic line. The pace of reform has been speeded up, and its weight increased. We have made a breakthrough in opening up to the outside world, and promoting lateral economic links. Development of resources has been progressing well, and a pattern of all-round development is being formed. Political situation of stability and unity has been further consolidated and developed. [passage omitted]

Yin Kesheng stressed: At present, a matter of primary importance for the CPC Committees at all levels is that they must grasp well the work of studying, propagating and implementing the spirit of the 14th CPC National Congress. On the basis laid in the proceeding stage, they must further strengthen their leadership over the study, and constantly deepen it.

He continued: Studying documents of the 14th CPC National Congress means that we must use the theory on building socialism with Chinese characteristics to arm the whole party and the broad masses of cadres and people to unify their ideological understanding. This is not only a basic task of party building during the new period, but also an objective demand of the development of the present situation. To study 14th CPC Central Committee documents, we must grasp well the essence of emancipating the minds and seeking truth from facts. The key lies in putting it into action. He pointed out: It is necessary to turn the study and implementation of the spirit of the 14th CPC Central Committee into a strong motive force for various work, and bring the enthusiasm of our cadres and people to the practical action of doing well the present work.

While talking about the requirement of establishing a socialist market economic system to speed up reform and opening up, Yin Kesheng emphasized: We must make great efforts to change enterprise operational mechanisms so that they conform with the socialist market economy. It is necessary to actively change government functions, so that macroscopic economic management system can meet the demand of the development of market economy as early as possible.

He said: Streamlining structure and delegating power is the key to changing the government's functions. Structural reform and streamlined administration is an urgent task for political structural reform, and an important condition for deepening enterprise reform and establishing market economic system. Before conducting all-round reform, we must take active measures to do all work that can be done. [passage omitted]

In his speech, Comrade Yin Kesheng also pointed out: It is necessary to further do well in promoting party building, carrying out nationality work, and consolidating and developing a political situation of stability and unity to provide reliable guarantee for reform, opening up, and economic construction.

After the full meeting mentioned above, participating comrades will participate in group discussions on thought and opinions on matters of primary importance put forward by Comrade Yin Kesheng on behalf of the provincial CPC Committee Standing Committee in accordance with the spirit of the 14th CPC National Congress.

#### Xinjiang To Expand Autonomy of Colleges

OW3011131092 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 27 Nov 92

[From the "Xinjiang News" program]

[Text] Keyum Bawudun, vice chairman of the autonomous regional people's government and chairman of the autonomous regional people's government education commission, announced 10 regulations on expanding the autonomy of ordinary colleges and universities in the administration of educational affairs. He made the announcement this morning at a news briefing on expanding the autonomy of institutions of higher learning in the autonomous region.

The regulations call for delegating powers in introducing special courses, in adjusting plans for enrolling students in regular and special courses, in adjusting plans for enrolling graduate students, in running nondegree educational programs, in setting up intramural organizations, in managing personnel affairs, in charging educational fees, in allocating funds, in assessing and conferring teaching titles, and in expanding contacts with colleges and universities in foreign countries.

Janabil, deputy secretary of the autonomous regional party committee, discussed ways to implement these

regulations on delegating powers. He said: We should implement these regulations by making adjustments and exercising restraint in specific areas while relaxing controls on general educational pursuits. We need not implement all of them simultaneously. We may implement them at selected units and promote them after gaining useful experiences from experimental projects carried out on campus. The region's 20 institutions of higher learning should implement these regulations, while adult

colleges and some technical secondary schools may implement the less complicated provisions of the regulations.

Janabil said: As the prerequisite for implementing these regulations, the education commission of the autonomous regional people's government should delegate powers. As long as we have confidence, we can surely blaze a new trail for educational reform.

**ARATS Proposes Early Meeting With SEF Chairman**

*OW0112014092 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 30 Nov 92*

[From the "News and Current Events" program]

[Text] The Association for Relations Across the Taiwan Strait [ARATS] on 30 November wrote to the Strait Exchange Foundation [SEF] suggesting an early meeting between Wang Daohan [ARATS chairman] and Gu Zhenfu [SEF chairman].

The letter noted: Joint efforts of the two organizations have produced a consensus on holding a meeting between Chairmen Wang and Gu. This is a welcome move to compatriots on both sides of the Taiwan Strait.

In light of the continuing personnel exchanges and other contacts across the Taiwan Strait, our association hopes to hold a meeting between Wang and Gu at an early date in the interest of promoting contacts and cooperation between our two organizations and developing cross-strait relations.

Thus far, the two sides of the Taiwan Strait have made significant [zhong yao] progress in document verification talks. Our association would like to suggest more talks to resolve lingering [yi liu] differences and settle the matter completely.

Moreover, our two organizations should begin talks on the Wang-Gu meeting. We would like to suggest Beijing, Taiwan, a proper location in or outside of Mainland China, or Jinmen as the site of preparatory talks. And we would like to propose that the preparatory talks be held in early December and the Wang-Gu meeting in late December.

Our association will give full consideration to Chairman Gu's request regarding the venue of the meeting.

**Zou Jiahua Greets Democratic League Congress**

*OW2811060592 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 23 Nov 92*

[From the "News and Current Events" program]

[Text] The Fifth National Congress of the Taiwan Democratic Self-Government League opened in the Great Hall of the People in Beijing on the afternoon of 23 November. Attending the congress are 164 league delegates. Representatives of the CPC Central Committee and various democratic parties from the mainland attended the opening ceremony.

Cai Zimin, chairman of the league central committee presidium, delivered a work report on behalf of the league's fourth central committee. Zou Jiahua, a member of the CPC Central Committee Political Bureau, greeted the congress on behalf of the CPC Central Committee.

The congress is scheduled to close 28 November. There are three items on its agenda—1) to examine the work report of the Fourth Central Committee of the Taiwan Democratic Self-Government League; 2) to revise the league's constitution; and 3) to elect the league's fifth central committee and second central advisory committee.

**League Supports Reform, Opening Up**

*OW2811042092 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 23 Nov 92*

[From the "News and Current Events" program]

[Text] On 23 November, Cai Zimin, chairman of the Taiwan Democratic Self-Government League, delivered a report to the League's Fifth National Congress. He stated: The Taiwan Democratic Self-Government League, as a political party participating in China's Government, will take an active part in political activities on the mainland.

In the report, Cai Zimin recalled how in recent years league members participated in the administration and discussion of state affairs.

Cai Zimin said: At present, 424 of the league members are serving as people's congress deputies and Chinese People's Political Consultative Conference [CPPCC] members at various levels. They participate in a wide range of political and economic activities on the mainland. The Taiwan Democratic Self-Government League members are especially active in promoting exchanges between the people across the Taiwan Strait. In the last five years, league organizations at all levels, including its central committee, have received several thousand Taiwan compatriots who visited the mainland at the league's invitation. The league members have helped attract more than \$200 million of investment by Taiwan compatriots. To make more contacts with the people of Gaoshan nationality in Taiwan, the Taiwan Democratic Self-Government League Central Committee established a Gaoshan Nationalities Liaison Committee in 1988.

Cai Zimin concluded: As a political party participating in the government, the league should focus its work on accelerating China's reforms, opening up, and modernization as well as on promoting economic and cultural exchanges between the mainland and Taiwan and actively participating in the administration and in the discussion of state affairs.

**League Elects New Officials**

*OW3011034092 Beijing XINHUA Domestic Service in Chinese 0959 GMT 29 Nov 92*

[By reporters Wan Hongqiang (8001 4767 1730) and Liu Shizhong (0491 0670 1813)]

[Text] Beijing, 29 Nov (XINHUA)—The first session of the Fifth Central Committee of the Taiwan Democratic Self-Government League closed in Beijing today. The session recommended Su Ziheng as honorary chairman,

and elected Cai Zimin as chairman, Zhang Kehui and Chen Zhongyi as vice chairmen, and Pan Yuanjing as secretary general of the league central committee.

The session also elected league central committee standing committee members. They are: Ye Qingyao [0673 1987 5069], Ye Jidong [0673 4764 2639], Jiang Nong [3068 3426], Yang Yuhui [2799 3768 6540], Wu Ketai, Wu Guozhen, Zhang Kehui, Chen Zhongyi, Fan Xinfu [5400 2450 4099], Lin Donghai [2651 2639 3189], Lin Shengzhong, Zheng Lizhi, Hong Tao [3163 3447], Huang Qizhang, Cai Zimin, Liao Canhui, and Pan Yuanjing.

In accordance with the new league constitution, the central committee has abolished the presidium system and reinstated the chairmanship system.

The league second central appraisal committee, which held a meeting concurrently, elected Li Chen chairman and Tian Fuda, Zeng Mingru [2582 2494 1172], Xu Wensi [6079 2429 1835], Zeng Chonglang [2582 6850 6745], and Xu Mingshan [1776 5492 1472] vice chairmen of the appraisal committee.

#### Congress Ends; New Charter Adopted

OW3011082692 Beijing XINHUA Domestic Service in Chinese 1055 GMT 28 Nov 92

[By reporter Wan Hongqiang (8001 4767 1730)]

[Text] Beijing, 28 Nov (XINHUA)—The Fifth National Congress of the Taiwan Democratic Self-Government League ended in Beijing today.

The congress adopted the work report of the league's presidium of the fourth central committee and the new "Taiwan Democratic Self-Government League Constitution." It also elected members to the league fifth central committee and second central appraisal committee.

In his work report entitled "Contribute Toward Building Socialism With Chinese Characteristics and Promote the Peaceful Reunification of the Motherland," Cai Zimin, chairman of the Presidium of the Fourth Central Committee of the Taiwan Democratic Self-Government League, said: Over the past five years, the league has achieved notable results in developing itself, in lending active assistance to the administration and discussion of state affairs, and in building socialism with Chinese characteristics and promoting the reunification of the motherland in its capacity as a political party assisting in the administration of state affairs. Since 1989, responsible persons from the league's central committee have attended more than 50 meetings convened by the CPC Central Committee and the State Council to discuss state

affairs, have actively participated in numerous consultations on matters of primary importance, and have offered opinions and suggestions. Statistics show that 424 league members serve as deputies of people's congresses and members of Chinese People's Political Consultative Conference committees at various levels. These league members have performed the important functions of exercising democratic supervision and assisting in the administration and discussion of state affairs.

The report said: The league has exploited the close and wide-ranging bonds linking league members and league-connected Taiwan compatriots with people on Taiwan Island and abroad. It has contributed toward expanding cross-strait exchanges and promoting the peaceful reunification of the motherland. Seizing upon various opportunities, the league's Central Committee and organizations in various localities have invited and met with several thousand Taiwan compatriots from the island and abroad. League organizations at various levels have enthusiastically provided economic and commercial consultation services to Taiwan compatriots to facilitate their mainland investment and trade ventures. Incomplete statistics show that Taiwan compatriots have invested more than \$200 million with the assistance of league members.

The league's fifth national congress adopted a resolution at the closing ceremony. The resolution stated: Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the recent 14th CPC National Congress addressed many basic issues relating to the construction, consolidation, and development of socialism in China. It was the first time a CPC national congress had addressed these issues in a fairly systematic manner. The CPC National Congress also set the reformist goal of fostering a socialist market economy and outlined strategic plans and various tasks for the next historical period. It served as a confidence builder because of its promise of a bright future for our country. The national congress of the league exhorted all league members to thoroughly study the documents of the 14th CPC National Congress, to gain an in-depth understanding of those documents, to implement them in the light of reality, and to pave the way for advancement.

The resolution reiterated the need to firmly embrace the principle of "one country, two systems" in reunifying the motherland through peaceful means; to adamantly oppose all forms of "two Chinas," "one China, one Taiwan," and "one country, two governments"; and to steadfastly resist all attempts and actions aimed at creating an independent Taiwan.

Cai Zimin presided over today's closing ceremony. Zhang Kehui, executive chairman of the presidium of the congress, delivered a closing speech.

**U.S. Trade Official Arrives for 'Private' Visit**

OW3011172992 Taipei CNA in English 1543 GMT 30 Nov 92

[Text] Taipei, Nov. 30 (CNA)—US Trade Representative Carla Hills arrived in Taipei Monday [30 November] evening for a historic visit signifying a major breakthrough in relations with the Republic of China [ROC] on Taiwan.

"It is a great pleasure to be here on Taiwan," said Hills, the first US Cabinet-level official to visit the Republic of China in 14 years since Washington switched its diplomatic recognition from Taipei to Peking in 1979.

"This is a visit I have long wanted to make, for it is an opportunity to reaffirm the long-standing friendship and rapidly growing commercial and trade relationship between our peoples," she said in a written statement released upon her arrival.

Although the US Government insists the Hills visit is of private nature, the ROC Government attaches great importance to her trip, seeing it as a milestone marking the end of the 14-year US policy of banning high-level official contact with Taipei.

President Lee Teng-hui will receive Hills Wednesday and host a lunch in honor of the US guest. Foreign Minister Chien Fu and other ranking government officials will also be invited to the gathering.

During her four-day stay here, the US trade representative will also call on Premier Hau Pei-tsun, and meet with Economics Minister Hsiao Wan-chang, Communications and Transportation Minister Chien You-hsin, and other government officials.

They are expected to exchange opinions on bilateral trade relations, Taipei's accession to the General Agreement on Tariffs and Trade, and other issues of mutual concern.

Making the trip at the invitation of the USA-ROC Economic Council, Hills will address Wednesday the opening session of the 16th annual joint business conference of the ROC-USA and USA-ROC economic councils, two non-profit private organizations representing both American and Taiwan businesses.

"As the United States is Taiwan's largest trading partner and number one customer, we have strong economic and commercial bonds that are reflected by the membership of these organizations," she said in her statement, adding "it is an influential group and one I thought important to address." "In my remarks to the conference, I will talk not only about the importance of lowering barriers and expanding trade between us, but how reducing trade barriers worldwide can help improve the economic well-being of people throughout the world," Hills noted.

Saying this is an exciting time in international trade, she stressed that "Taiwan and the United States have a shared responsibility for the future of our trading system,

to ensure that the process of trade liberalization continues globally, regionally, and bilaterally."

Hills also spoke for US companies interested in the Taiwan market, especially the huge construction market created by the government's US\$300 billion, six-year national development plan.

While Taiwan is broadening its economic policies from an export-led growth strategy to include a greater emphasis on domestic demand for infrastructure projects and consumer products, she said, "US businesses can once again be a constructive force in Taiwan's economic program because they are highly competitive in those areas.

**'Great Importance' Attached to Visit**

OW0112084092 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 30 Nov 92

[From the "Hookup" program]

[Text] Hsiao Wan-chang, Taiwan minister of economic affairs, said that the U.S. Government's approval of a visit by a cabinet member, Trade Representative Carla Hills, to China [Taiwan] is of great significance to the development of Sino-U.S. economic and trade exchanges, and symbolizes the beginning of the further development of relations between the two countries. Even though this is not an official visit, Carla Hills is still the first U.S. Cabinet-level official to visit China since the two countries severed diplomatic ties 13 years ago.

The Ministry of Economic Affairs attaches great importance to Hills' visit. Minister Hsiao Wan-chang said: This is an opportunity for us to explain our vigorous efforts in protecting intellectual property rights and the state of our nation's economic growth to these high-ranking U.S. officials.

The Chinese and U.S. officials will meet face to face today [1 December]. Hills will first call on Economic Affairs Minister Hsiao Wan-chang at 0900, and then hold a discussion with our representatives on the protection of intellectual property rights. This will be the first face-to-face meeting between Hills and our officials during her trip to China.

**Visit's 'Obvious Meaning'**

OW0112082892 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 30 Nov 92

[By Chuang Fu-ching; from the "Hookup" program]

[Text] [Announcer] Chien Fu, Taiwan minister of foreign affairs, pointed out that U.S. Trade Representative Carla Anderson Hills' visit to China [Taiwan] indicates that the U.S. Government has upgraded the level of officials sent to China from department director to cabinet member, and that the move has obvious

meaning. However, Chien Fu added that in developing our relations with the United States, we should be able to act [words indistinct] on top of a good understanding between both ourselves and the U.S. side.

Foreign Affairs Minister Chien Fu noted: The highest ranks for U.S. officials attending annual joint business conferences for ROC- USA and USA-ROC economic councils in the past were only equivalent to our bureau director and assistant minister. However, the rank was upgraded to cabinet-level trade representative this time. The meaning of this move is self-evident.

Speaking of his impression of Hills—a trade negotiation official widely portrayed as fierce, tough, and sharp—Chien Fu described her as a fairly affable, thoughtful, and caring lady.

[Begin Chien recording] Every time we met, she [words indistinct], displaying her excellent work capabilities. After we had finished our work discussions, however, she would show her feminine face of cordiality, affability, kindness, gentleness, and thoughtfulness. [end recording]

Chien Fu met Hills in Colorado on two occasions, in June of 1991 and 1992. Before that, Chien Fu had already met her husband, a notable lawyer in Los Angeles, South California. [sentence indistinct]

Touching on what Taiwan expects concerning future Sino-U.S. relations, Minister Chien Fu cited the "August 17" communique, signed during the Reagan administration, and said that in developing Sino-U.S. relations, we should be able to (?act positively) on top of a good understanding of both ourselves and the U.S. side. Otherwise, we might even be driven back instead of forging ahead. Minister Chien Fu said: In spite of our expectations toward the United States, we must not assume a high profile. While success is readily achievable in mutually beneficial matters, unilateral demands are not easily met.

### SEF-ARATS Leader Meeting Still Undecided

OW0112104492 Taipei CNA in English 0805 GMT 1 Dec 92

[Text] Taipei, Dec. 1 (CNA)—The possibility for the heads of the two quasi-official cross-strait affairs organizations on both sides of the Taiwan Straits to meet in December is slim, government sources said Monday.

A Straits Exchange Foundation (SEF) spokesman said the foundation received a letter from Peking's Association for Relations Across the Taiwan Straits (ARATS) Monday suggesting that the two sides meet either in Taiwan or on the mainland in the first half of December to pave the way for a long-awaited meeting between the heads of the two organizations, tentatively scheduled for late December.

The SEF spokesman said the ARATS' proposal is not likely to be realized soon as both sides are still divided on some issues.

The SEF hopes that a preliminary agreement on certain technical problems arising from increased cross-strait exchanges could be reached before the two sides meet to prepare an agenda for the meeting between SEF chairman Koo Chen-fu and his mainland counterpart Wang Daohan.

ARATS, however, does not seem willing to initial such a protocol with the SEF soon. It is opposed to mixing the Koo-wang meeting with the signing of an agreement on document verification and other cross-strait affairs.

Against this background, the SEF has been reluctant to respond to ARATS' call for arranging a meeting to set the venue and agenda for the proposed Koo-Wang meeting.

Huang Kun-hui, chairman of the Mainland Affairs Council, said during a Legislative Yuan meeting in mid-October that the Koo-Wang meeting is not likely to be held before the Dec 19 legislative election.

Koo, a member of the Kuomintang Central Standing Committee and president of the Chinese National Association of Industry and Commerce, said yesterday that he has a tight schedule in December. He will head a delegation to attend a Sino-Japanese economic cooperation conference in Tokyo this weekend.

All told, a SEF official said, the Koo-Wang meeting, seen as the first high-level contact between Taiwan and the mainland in four decades, is not expected to come true in the near future.

### France To Upgrade Mission in Taipei

OW3011130992 Taipei LIEN HO PAO in Chinese 20 November 92 p 2

[By reporter Hu Yu-li (5170 3768 4539)]

[Text] Having finalized its plans for selling us Mirage fighters, France is expected to be the first European country to upgrade relations with the Republic of China (ROC) during the current scramble among various countries to raise the level of relations. In January next year, France will upgrade its mission in the ROC to a legation with wide-ranging functions comparable to those of a consulate general. The French Government has decided to send incumbent diplomat Leo [name as published], former minister counselor at the French Embassy in Beijing and current adviser to the French Ministry of Foreign Affairs, to the ROC in the middle of next month to serve as its representative. This will be the first time that France will send an incumbent diplomat to the ROC in what amounts to a significant development.

It is understood that the current French mission in Taiwan consists of the French Institute in Taipei—set up by French foreign affairs and cultural departments—and the French Trade Office—formed by French economic departments. These two institutions exist in parallel,

with separate responsibilities for issuing visas and promoting economic relations, trade, and cultural and educational exchanges. To expand their functions in the ROC, the two institutions will be combined into one mission in January next year. Under the single name of the French Institute in Taipei, this mission will function along the lines of the American Institute in Taiwan. Its functions will be the most wide-ranging of the missions of various European countries in the ROC.

Leo, the prospective leader of the new mission, currently serves as an adviser on Far East policy to the French Ministry of Foreign Affairs. He is over 50 years old and has spent nine years in Mainland China. A two-term French minister counselor in Beijing, he has a good command of Chinese. Although Leo's ranking is below that of Menguy (the retired French ambassador to Cambodia), the current director of the French Institute in Taipei, the fact that an incumbent diplomat will be appointed as the French representative in the ROC demonstrates France's sincerity in upgrading relations between the two countries.

Diplomatic sources said: France has always led various European countries in clearing the way for developing relations with the ROC. Fauroux, then French minister of industry and land management, led a delegation to the ROC in January 1991. Jean-Marie Rausch, French minister of foreign trade and tourism; former French President Giscard; former French Prime Minister Rocard; and the son of incumbent French President Mitterrand have paid successive visits to the ROC since the beginning of this year. France's sale of its Mirage fighters is the focus of widespread attention. France is again spearheading the drive to upgrade the level of representation of its mission in the ROC at a time when various European countries are sending important officials at the ministerial or vice ministerial level to Taiwan. The prospect of stronger political relations between the ROC and France is a development that merits observation.

### Swedish Deputy Minister Arrives for Economic Talks

OW2811171892 Taipei CNA in English 1506 GMT 28 Nov 92

[Text] Taipei, Nov. 28 (CNA)—Swedish Vice Transport Minister Per Egon Johansson arrived in Taipei Saturday for a five-day visit aimed at expanding economic relations with the Republic of China [ROC].

He will call on Premier Hao Po-tsun, Economics Minister Hsiao Wan-chang, Finance Minister Pai Pei-ying, Transportation and Communications Minister Chien You-hsin and other government officials during the trip.

Johansson, coming at the head of a trade delegation, is mainly here to attend the eighth ROC-Sweden Economic Cooperation Meeting to be held on Monday. Delegates from the two countries will discuss ways to strengthen their trade and economic cooperation.

The ranking Swedish official is also expected to take advantage of the meeting to help Swedish firms gain access to business opportunities under the Republic of China's US\$300 billion, national development plan.

He will leave on Dec. 2.

### Proposes Cargo Flights Exchange

OW0112100492 Taipei CNA in English 0741 GMT 1 Dec 92

[Text] Taipei, Dec. 1 (CNA)—The visiting Swedish Vice Transport Minister Per Egon Johansson has suggested that the [Republic of China] ROC and Sweden should start their aviation cooperation program with the exchange of cargo flights.

Johansson, who arrived here last Saturday for a five-day visit, made the remarks after discussing the issue with ROC Transportation and Communications Minister Eugene Chien in the morning.

He said that the Swedish Government has given a green light to private airlines to run Taipei-Stockholm cargo flights, and he hoped that the ROC Government would allow local airlines to do likewise as soon as possible.

As to the exchange of passenger flights between the two nations, Johansson said that discussion could begin after the opening of cargo flights.

It was reported that the Swedish Government earlier this year authorized the Skavata Military Airport near Stockholm to handle the flight exchange issue with an ROC airport.

However, the Transportation and Communication Ministry discovered after investigation that the military airport had not in fact obtained official authorization and thus insisted on formal agreements before the two sides could proceed with the exchange of flights.

### Cooperation To Improve

OW0112101092 Taipei CNA in English 0824 GMT 1 Dec 92

[Text] Taipei, Dec. 1 (CNA)—Relations between Taiwan and Sweden are expected to make great strides following the eighth Chinese-Swedish business council meeting.

A joint statement released Monday after the meeting pledged that both sides will work to further strengthen trade cooperation and scientific exchanges.

The meeting took place at the Taipei International Convention Center. The Swedish side was represented by a 28-member delegation, while Vice Chairman M.V. King of the Euro-Asia trade organization led the Chinese delegation.

Addressing the meeting, visiting Swedish Vice Transport Minister Per Egon Johansson said that his country's

manufacturers have keenly interested in bidding for various construction projects of the ongoing six-year national development plan.

Taiwan entrepreneurs are also welcome to make investments in Sweden, which could serve as a springboard for making inroads into the European Community and Eastern European markets, he pointed out.

Tung Hsiao-yi, vice minister of transportation and communications of the Republic of China [ROC], extended his warm welcome to Swedish manufacturers, which are famed in such fields as civil engineering, inland shipping, aerospace, and telecommunications.

The Scandinavian country's joining in the six-year plan will be conducive to Taiwan's industrial upgrading, the vice minister noted.

At the meeting, the link between the [word indistinct] group of Taiwan and the Swedish electronics firm [name indistinct] was cited as a successful example of cooperation between the business communities of the two countries.

With the Chinese delegates introducing recent developments in Taiwan's financial markets, the two sides also discussed the feasibility of joining hands in exploring the Chinese Mainland market.

Two-way trade between the two countries, which totaled US\$170 million in 1982, leaped to US\$873 million last year. In the first ten months of this year, Taiwan's exports to Sweden amounted to US\$347 million and imports US\$513 million.

Meanwhile, Swedish Vice Minister Johansson called on Economic Affairs Minister Hsiao Wan-chang earlier in the day.

During the visit, Johansson told Hsiao that two Swedish companies have decided to establish their Asia-Pacific business centers in Taipei, which has been promoted by the Chinese minister.

With the competitiveness of Swedish industrial products, Hsiao said, there is ample room for the two sides to boost cooperation.

**Demonstrators in Tainan 'Demand' Independence**  
*OW0112084692 Taipei Voice of Free China in English 0200 GMT 1 Dec 92*

[From the "News" program]

[Text] About 5,000 opposition supporters demonstrated in the southern city of Tainan on Sunday [29 November] to demand Taiwan's independence from mainland China. The demonstrators displayed banners that dealt with one China, one Taiwan, and shouted slogans during the three hour peaceful march in Tainan, about 320 km southwest of Taipei.

Protest leaders said that Taiwan people should declare this island an independent state so that Taiwan can enjoy international recognition.

The march began after the demonstrators gathered at the train station to greet the homecoming of George Chang, founder and president of the World United Formosans for Independence, a major group that promotes Taiwan's independence. Chang, a native of Tainan, was released last month on bail for medical treatment. He was arrested and charged with sedition last year when he returned to Taiwan from 20 years of exile in the United States.

**'Great Strides' Made in Trimming Armed Forces**  
*OW0112104192 Taipei Voice of Free China in English 0200 GMT 1 Dec 92*

[From the "News" program]

[Text] The Ministry of National Defense said on Sunday [29 November] the ROC [Republic of China] Army has made great strides towards achieving leaner armed forces. The ministry said that not only has the average age of the Army been lowered, the number of generals in officers has also been cut from a peak of 1,700 to the present 700. [sentence as heard]

In response to years of criticism over being excessively large, the Army has made efforts to cut down in size, the ministry stressed. A rigorous implementation of retiring age for generals, the lowering of age requirement for promotion, and the selection of younger Army officers for important posts have all contributed to a younger and leaner Army. For example, the average age of a colonel promoted to the rank of major-general was lowered to 47 in 1991 from 51 in 1981.

The Defense Ministry said upgrading the quality of the Army and developing a modern sophisticated weapon system for the ROC Army are the two most important tasks at the present stage.

## Hong Kong

### Ambassador to UK Stresses 'Convergence'

HK0112090192 Hong Kong TA KUNG PAO in Chinese  
1 Dec 92 p 2

[“Special dispatch” by Huang Nien-szu (7806 1819 2448), TA KUNG PAO correspondent in Britain: “Chinese Ambassador to Britain Ma Yuzhen Talks About the Essence of Sino-British Disputes”]

[Text] London, 30 Nov—In an interview with reporters today, Chinese Ambassador to Britain Ma Yuzhen pointed out that the essence of the current Sino-British disputes over Hong Kong is whether or not both parties should implement international agreements and set store by good faith rather than the issue of how much democracy Hong Kong should have.

In an interview on the statement issued today by the State Council Hong Kong and Macao Affairs Office, Ma Yuzhen said that the pace of democracy in Hong Kong is not a substantive issue. Frankly speaking, according to the provisions of the Basic Law, the democracy Hong Kong will enjoy in a very short time will be much more than that achieved in Hong Kong under 150 years of British rule.

Talking about the British Hong Kong Government ratifying the Container Terminal 9 contract, Ma said that Britain had mixed two things up. He pointed out that the Land Commission's approval of land is one thing; the construction of container terminal is another. What we now refer to is the construction of the container terminal.

He asked a simple question, which was, if land approval by the Land Commission is tantamount to the Chinese side's approval for the construction of the container terminal, why is it that the British Hong Kong Government still wants to sign another contract with the companies concerned?

He added that, in its statement today, the British side stated that it had consulted the Chinese side on Terminal 9. “I can say the fact is, that the contract has not been discussed with the Chinese side.”

Asked about how the current disputes could be solved, Ma Yuzhen said that it is very easy to solve the disputes. As long as the British Hong Kong Government returns to the track of consultation and cooperation by both parties and takes the Joint Declaration and the principle of converging the Hong Kong political system as the basis, of course we are willing to talk, but we cannot talk on the basis of the Hong Kong Governor's 7 October policy address.

Talking about current Sino-British relations, Ma Yuzhen pointed out that our present differences are disputes between us and the British Hong Kong authorities. Generally speaking, Sino-British relations have moved forward. The attitude of the Chinese side is very clear-cut. We attach

importance to Sino-British relations and also hope they will continue developing. But our current disputes with the British Hong Kong authorities on Hong Kong's political system have not been provoked by us. Therefore, let him who tied the bell on the tiger take it off.

Ma stressed that, in China's view, China upholds the Joint Declaration, the Basic Law, the convergence of the Hong Kong political system, and the agreements reached between China and Britain. Only this way of doing things is truly favorable to safeguarding Hong Kong's long-term prosperity and stability. Conversely, a breach of these will jeopardize Hong Kong's prosperity and stability.

### Lu Ping Comments on Hong Kong Policy

HK0112073692 Hong Kong WEN WEI PO in Chinese  
1 Dec 92 p 2

[Dispatch from Beijing by staff reporter Liu Shih-hsin (0491 1102 2500): “Lu Ping Talks With Visiting Textile Delegation From Hong Kong (Detailed Excerpts)”]

[Text] Beijing, 30 Nov (WEN WEI PO)—This afternoon, Lu Ping, director of the State Council Hong Kong and Macao Affairs Office, met with all the members of the Hong Kong Textile Industry Federation's delegation at the Tibet Hall of the Great Hall of the People in Beijing, and enunciated the Chinese Government's attitude and policy toward the current situation in Hong Kong. Detailed excerpts of Lu Ping's talks follow:

### China Hopes for a Smooth Transition

Lu Ping said: What does the Chinese Government actually want to do? It is very simple. China is just trying to ensure a smooth transition in 1997. The constant policy of the Chinese Government is to stand for making as little change as possible before 1997. A smooth transition is the most important thing for Hong Kong. (A Hong Kong visitor interposed: We also think so.) To effect a smooth transition, there is the issue of making things before and after 1997 converge, just as two sections of railway track converge. The gauge of the two tracks must be the same, and the gauge is specified by the Basic Law. So we must consider the issue of convergence according to the Basic Law. When we drafted the Basic Law, we did not consider the so-called “through train” arrangement. Afterward, many friends in Hong Kong expressed this opinion, saying that in 1997, it is better that people can experience something like traveling by through train from Guangzhou to Hong Kong without needing to get off and pass through customs procedures, and only this is a smooth transition in real terms. We found that this was a good idea, because for our part, we also did not want to restart everything in 1997. In the Joint Declaration and the Basic Law, we also said that Hong Kong's political, economic, life style, social, taxation, and legal systems will all remain unchanged. Therefore, we should say that it is possible to effect a smooth transition, and the “through train” arrangement is not an idle dream. It is

not only in line with the Chinese Government's policy and favorable to Hong Kong's smooth transition, but also in keeping with the interests of the people of Hong Kong. Finally, we accepted this opinion expressed by our friends in Hong Kong when finally formulating the Basic Law.

#### Nongovernmental Contracts Are Not Affected

"What problem is there now?" Lu Ping added: Some people in Hong Kong, and I believe just a small number of people, came up with the idea of no convergence. I think that this idea is totally harmful to Hong Kong and will bring nothing good to Hong Kong. Some people even said that "those advocating convergence are the greatest enemies of Hong Kong." I do not understand their thinking. The Chinese Government is striving for convergence and smooth transition. Therefore, no matter what happens, we shall certainly give full consideration to Hong Kong's interests. We shall never cause chaos for Hong Kong, and Hong Kong will never be messed up because of the factor of our side. This is because we shall implement the "one country, two systems" policy, and our purpose is to guarantee and maintain Hong Kong's stability; otherwise, we could have solved the Hong Kong issue in other ways. Why did we adopt the "one country, two systems" policy? Why did we promise that the existing systems and the existing style of life would remain unchanged? Because we hoped that Hong Kong would maintain its prosperity and stability and would continue to develop.

When the Hong Kong friends asked about Hong Kong container terminal No. 9, Lu Ping said: The issue is not only related to container terminal 9. This is an issue concerning whether contracts, leases, and agreements signed or ratified by the Hong Kong Government before 1997 will continue to be valid after 1997. This is an important issue, and it must be solved. We raised this issue with the Hong Kong Government in consideration of fully protecting the interests of investors, and hoped that they would also consider this point. This is because according to the Sino-British Joint Declaration, the British Government will terminate its administration of Hong Kong on 30 June 1997, and the British will leave. They have no right to handle affairs of the Hong Kong Special Administrative Region [SAR] after 30 June 1997. This is a simple issue concerning state sovereignty.

The Hong Kong friends then asked about nongovernmental contracts and land leases that will go beyond 1997. Lu Ping explained that nongovernmental contracts will not be affected, because they are not related to the issue of "transfer of sovereignty." Land leases will not be affected either, because explicit provisions have been made in Annex III of the Joint Declaration. That is, the arrangements for the land leases that extend beyond 1997 have been explicitly stipulated. However, other government actions will naturally become invalid after 1997. What we hope is that they will continue to be valid after 30 June 1997. What should be done then? Of course, after the SAR Government is established on 1

July 1997, people may talk with the SAR Government and seek its approval [que ren 4292 6126], but it may be too late. This issue should be solved at present. How to solve it? The SAR Government has not been founded yet, so only the Chinese Government can now represent the SAR Government to approve such things. Therefore, we raised this issue in consideration of protecting the interests of investors. We hope that these contracts, leases, and agreements will extend beyond 1997, and that the people concerned will be able to set their minds at rest. You must have understood the Chinese Government's policies. That is, as we constantly declare, we protect and support various types of private capital in making investment in Hong Kong.

#### How To Calm Down the Current Dispute?

Lu Ping added: Container terminal 9 will extend beyond 1997. If something extends beyond 1997, it must be discussed with the Chinese Government. Otherwise, you will have no legal protection [fa lu bao zhang 3127 1774 0202 7140]!

Lu Ping stressed: The convergence we talk about refers to convergence in all fields. There must not only be convergence in the political field, but also convergence in the economic field. If things do not converge with the Basic Law, they will be invalid after 1 July 1997, and must be restarted. Here I refer to what are signed by the government, and this does not include nongovernmental contracts and agreements. Nongovernmental things are not affected by this issue, because they obviously do not contravene the Basic Law.

Lu Ping pointed out: The current dispute was not provoked by us, and the problem does not exist on our side. We do not wish to see such a dispute. Before Patten announced his policy speech, I wrote a letter to him, saying that we do not wish to give rise to an open dispute. There exist differences and different opinions between the two sides, but we must solve them through internal consultations, and we may sit down and talk! We do not wish our differences to be made public to the people in Hong Kong. We also do not like "microphone diplomacy." However, if you are bent on evoking an open dispute, then we can only follow suit [feng pei 1144 7111], because you cannot talk alone. After you speak, we must also speak out. After I wrote this letter to him, he gave absolutely no consideration to it. He still went ahead to utter what he planned to say. So we must also speak out. Therefore, the dispute was not provoked by us, and we did not wish for such a dispute. The one who started the trouble should be responsible for ending it. To calm down the current dispute, Patten must first rescind his policy speech. If he refuses to do this, there will be no other method but continuing the row. We continue the row not to save face [zheng yi kou qi 3630 0001 0656 3049] or to give him something [as published]; instead, we do this still for the sake of Hong Kong's smooth transition. If he is allowed to continue with his plan, Hong Kong will certainly be brought into chaos in 1997! Now, the issue is not only political

convergence. Convergence must be effected in all fields. Not only political issues but also economic issues should converge, and should converge properly. Therefore, our aim is to ensure that no major chaos will appear in 1997, and we can never give consideration to Patten's package. At present, a split has appeared in Hong Kong, and has appeared obviously. We do not want to see this.

### There Should Be Cooperation in All Fields

Lu Ping said: If they do not cooperate, we have no method. We said that we demand convergence and a smooth transition. For the Chinese Government, this is our policy. However, we also said that our own desires would not determine everything, because cooperation was a matter of both sides. In the past, after the Sino-British Joint Declaration was signed in 1984, we all saw that China and Britain cooperated properly in general over Hong Kong. Of course, there indeed existed some differences and contradictions. However, through consultations between the two sides, the contradictions were still properly solved. That is to say, both sides were moving slowly toward the objective of smooth transition and convergence. The problem is that after Patten took office, he completely changed the previous practice. Then, new problems appeared. We still hope that the British side will return to the path of the Joint Declaration and the Basic Law, and will continue to move in the orientation of convergence in order to ensure a smooth transition.

Lu Ping reiterated: It is impossible to think that convergence can be realized without political convergence. I think it is very difficult to do this. We have repeatedly stressed that convergence must be effected in all fields, and there must also be cooperation in all fields. The political issue cannot be isolated from other issues. "I insist on confrontation with you in this field, and cooperate with you in other fields." This is impossible! And he cannot do this. We told him long ago that his practice would seriously affect Sino-British cooperation in all fields, but he simply turned a deaf ear to our warnings. We have made our position clear before, but he completely failed to understand China, and did not understand Hong Kong. He could only make a hullabaloo as soon as he took office in Hong Kong [xia che yi shi wa la wa la 0007 6508 0122 1193 0760 0784 0760 0784].

### Commentary Questions 'Crafty British Politician'

HK0112111492 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1118 GMT 30 Nov 92

[“Commentary” by Chu Ke (2806 1356)]

[Text] Hong Kong, 30 Nov (ZHONGGUO TONGXUN SHE)—From his not wearing the traditional official attire for a colonial governor at the inaugural ceremony in mid-July to his announcement of a political reform package which has caused a mighty uproar, led to tense relations between China and Britain, and brought about social unrest in Hong Kong, one may find through careful consideration

of Chris Patten's behavior, that in arranging all this, the British authorities have mixed together their traditional policy and their fundamental stratagems against the current international macroclimate.

British foreign policy has always claimed that "the British Empire has no permanent friends and no permanent enemies, it only has permanent interests." Because China's strength is much greater than when China was ruled by the Qing Dynasty, Britain cannot but return Hong Kong to China according to treaties. At this moment, no one believes that the posture assumed by Patten and the British authorities is purely aimed at striving for democracy and the interests and rights of Hong Kong residents after 1997. Patten wants to play the part of "democracy goddess" before 1997, but one can find that his purpose was never so pure if one analyzes the history of the British Empire and the character of "John Bull."

According to an analysis from the viewpoint of international law, there should be no strings attached to Britain's return of Hong Kong to its suzerain state. First, Hong Kong's lease has expired. Second, the British Empire has declined and does not have the strength to violate the lease. The Chinese authorities were willing to hold talks and reach an agreement on the issue of recovering Hong Kong, and formulated the Basic Law and promised that Hong Kong's social system would be kept unchanged for 50 years, because, under British rule, Hong Kong's social, legislative, and financial systems followed a path completely different from those in the Chinese mainland. To prevent shocks caused by the recovery of Hong Kong and to guarantee a smooth transition, China adopted the "one country, two systems" policy and the principle of self-government by the Hong Kong people, and worked out a program of "no more, no less" [bu neng duo ye bu neng shao 0008 5174 1122 0048 0008 5174 1421] through negotiations with Britain. Whether such creative concepts can succeed should be the experience of the Chinese people themselves in their practice, and the British authorities should not try to make changes.

Some people think that Patten took action to transcend the "Basic Law," because he wants to use the sparks of democracy in Hong Kong to promote democracy movements in such southern coastal provinces of China as Guangdong and Fujian. As former Singaporean Prime Minister Lee Kuan Yew said, "if Hong Kong people play such political tricks and think that this can lead to elections in Guangdong or even in Beijing, they must be mad, because this is absolutely impossible."

Some people hold that Patten's political reform package should be put to a "referendum" in Hong Kong. Such an idea is also an illusion caused by a lack of knowledge of international law. Hong Kong is part of China. A "referendum" on any basic issue in Hong Kong should be held among all the people of China. For example, as people in Canada's Quebec hoped for independence, this had to be put to a referendum among all the people of

Canada. At this moment, if a referendum was held in Hong Kong, it would be of no significance and would just intensify conflicts between Hong Kong and China and between Britain and China.

To judge from the "interests" viewpoint, one may find that no matter what results are achieved by Patten's efforts to peddle his political reform package to the international community, he has succeeded in achieving the following ends: first, using false promises to split the residents of Hong Kong and create contradictions between Hong Kong and China so that Hong Kong will at least be unable to effect smooth transition in 1997 as China hopes; second, taking the political reform package as a bargaining chip to forcefully conduct the airport platform project and other major construction projects in the next five years at a high cost, and at a critical moment, passing these important bills to Hong Kong's Legislative Council so that the trouble caused by Patten could be wrapped in the guise of "democracy" and the "Hong Kong people's wishes"; third, creating an image of an honorable withdrawal after a long history by using the "political reform proposals" to mislead Hong Kong people and make them forget Britain's unhappy history in the colonial period and also showing his "human rights conscience" to the international community so that people throughout the world will neglect the fact that the British Empire is declining.

Of course, when assessing Britain's major policy toward Hong Kong, we must also give consideration to Patten's personal political ambitions, as he is a weighty figure in British political circles. If Patten was just trying to be the last governor who only followed the old rules docilely, this would not be in keeping with his personal political interests. For Patten, Hong Kong is a stage for his performance. He is concerned about whether international comments on his performance will be passed back to Britain as he hopes, and will thus increase his political capital. In these circumstances, the interests of Hong Kong people and the reactions of the Chinese side are unimportant. He has cleverly given the appearance of not wearing the traditional official attire at his inaugural ceremony, posed as being cordial to the common people in Hong Kong, and then put forth his political reform package and demanded that the Chinese side put forth "counterproposals" in a manner of asking for an exorbitant price. All this reflects the diplomatic stratagems of a crafty British politician. It is a pity that Patten has run into an iron wall this time and has trapped himself in the dilemma of riding the tiger and finding it hard to get off.

#### **'No Question of China Taking Control' Before 1997**

HK0112062092 Hong Kong RTHK Radio in English  
0500 GMT 1 Dec 92

[From the "News at One" program]

[Text] The Governor Chris Patten says there is no question of China taking control over Hong Kong before

1997. In an interview with the TIN TIN DAILY, Mr Patten says he expects to complete his task as last governor of Hong Kong, and he won't change his style. He will continue to talk calmly and reasonably instead of responding to the countless criticisms from China. He points out that there have been disputes in the past. As he puts it, this is not the first time the wind has blown from the north. Joseph Cheng has more details:

[Begin recording] Mr Patten gives an assurance that the government will competently and realistically administer the territory until the transfer of power in 1997.

The TIN TIN DAILY said the governor indirectly conceded that he had underestimated the strength of possible Chinese opposition when designing his political reform package. But Mr Patten added that it would always be difficult to judge the extent of another's irrationality. He also said he would plead guilty if people charged him with working for the best interests of the people of Hong Kong.

The governor said the people in the territory wanted a constructive dialogue, not propaganda via microphones. He expressed the hope that the post-1997 government would put the interests of Hong Kong first.

Asked if he had neglected the special characteristics of Chinese and other Eastern cultures, in his relations with China, he said a principle remained a principle, even in different cultural contexts; and the one country, two systems concept meant maintaining two systems—Hong Kong's way of life, and its representative government. [end recording]

#### **Business Sector Puzzled Over Latest PRC 'Salvo'**

HK0112033392 Hong Kong SOUTH CHINA MORNING POST in English 1 Dec 92 pp 1, 3

[By BUSINESS POST staff]

[Text] Hong Kong's business sector reacted with puzzlement and concern yesterday to Beijing's latest salvo against the legitimacy of Hong Kong Government decisionmaking before 1997.

Beijing's shock claim that contracts, leases, and agreements might be invalid at the changeover came minutes after the stock market closed 176 points down for the day.

"It is not entirely clear what this statement means or whether it is a new point being made," said Mr Martin Barrow, vice-chairman of the Hong Kong General Chamber of Commerce.

"But obviously it is not helpful and it is disappointing we should be getting these daily statements."

Shockwaves hit London last night, where Hong Kong company shares fared badly in a market that soared to a record high closing of 2,778.8 on the FT-SE 100.

Hong Kong Land fell 6-1/2 pence to British pounds 1.13-1/2, or 5.5 percent, Jardine Holdings lost 18 pence, almost four percent, to British pounds 4.39, Hong Kong Bank was down 4-1/2 pence to British pounds 5.18, Hutchison Whampoa dropped five pence to British pounds 1.33 and Inchcape tumbled 10 pence to British pounds 4.93.

Market analysts predicted further losses for the Hang Seng Index today, while others in the business community attempted to assess the ambiguous Chinese statement for its impact on their respective fields.

The strongly-worded statement followed last Friday's announcement from China that it did not intend to honour a contract being negotiated by the Hong Kong Government and two groups seeking to jointly develop Container Terminal 9.

Baring Securities chief economist Mr Miron Mushkat described yesterday's statement as the political maximisation of short-term pressure on the Governor to back down on his democracy plans.

Mr Richard Mounce, head of Chase Manhattan Bank's Hong Kong operations, said that China's latest position was probably a restatement of an existing principle, reiterated for the purposes of emphasis.

He said: "It's unclear how 'approval' differs from 'consultation.' We have to see more closely what exactly has been said."

Another banking sector source dismissed the statement as "posturing" on the part of Beijing, designed to "turn the heat up a bit" in the Sino-British dispute.

He said the dispute would eventually be resolved, the only question was when.

Analysts who follow the utilities sector which is caught up in various stages of ongoing negotiation of their operating arrangements saw little cause for alarm in the latest round of the Sino-British row.

Hong Kong's numerous utilities last night played down the threat implied by the statement, most claiming their interests were already protected under the Basic Law, or more recent binding agreements.

#### **Shanghai Mayor, Delegation Arrives From UK**

*OW0112104392 Shanghai People's Radio Network in Mandarin 2300 GMT 30 Nov 92*

[From the "Morning News" program]

[Text] A Shanghai municipal delegation headed by Mayor Huang Ju arrived in Hong Kong from London on 30 November for a week-long visit, after having concluded a visit to the United Kingdom. This station's special correspondent (Guo Minhua) filed the following report from Hong Kong early on the morning of 1 December.

[(Guo)] Hong Kong celebrity Mr. (Li Jiacheng) and (Li Chuwen), an adviser to the delegation which had arrived earlier in Hong Kong, together with prominent figures from various concerned departments, went to the airport to greet the delegates upon their arrival.

According to a briefing by a relevant person, the Shanghai municipal delegation visited London, Liverpool, Glasgow, and Edinburgh; surveyed relevant factories, enterprises, harbors, wharves, municipal works, new urban and rural areas, markets, and financial markets and stock exchanges; and separately held friendly meetings during their stay with Douglas Hurd, British secretary of state for foreign and commonwealth affairs, (?Brid), minister of foreign affairs, and Heseltine, secretary of state for trade and industry. Meanwhile, the delegation conducted extensive contacts with Lord (?Puzhenshang), chairman of the 48th British-Chinese Trade Group, and Lord (?Briar), managing director of the General Electric PLC and concurrently chairman of the consultative meeting of the Shanghai international market, and a group of other business leaders. Both sides conducted discussions in earnest on economic issues of common concern and the possibility of expanding economic cooperation.

During the visit, the delegation held various meetings, gave speeches, and held forums to vigorously publicize Shanghai's very good situation concerning reform and opening up, Pudong's development, and their broad prospects with all kinds of circles in the United Kingdom. The hosts showed a keen interest in this publicity, which gave them a better understanding of Shanghai and boosted their confidence in investing in Shanghai. Many British personages highly praised the achievements scored by Shanghai in implementing the reform and opening policy, and expressed the hope of further strengthening economic ties with Shanghai.

The delegation also made a special trip to call on relevant overseas Chinese organizations and express thanks to overseas Chinese for their concern and long-term support for Shanghai's economic development.

Huang Ju arrived in Hong Kong at the invitation of the Hong Kong Trade Development Board. Among his entourage were leading cadres from relevant municipal government departments, including Sha Lin, Xu Zhao-chun, and (Hua Jianlin).

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